The second secon

FT No. 31-189
• THE FINANCIAL TIMES LIMITED 1990

Tuesday July 3 1990

World News

Mrs Marcos acquitted of by US court

imelda Marcos, widow of former Philippines president, was acquitted of racketeering and fraud charges by a federal jury in New York after five

days of deliberations.
Also acquitted was Adnan
Khashoggi, the Saudi businese-man, who was accused of aiding her to secretly buy Manhattan property. Page 18

Kosovo-Serbia split Ethnic Albanian legislators declared their Kosovo province independent from Serbia, Yngoslavia's biggest republic.

Pilgrims crushed Scores of Moslem pilgrims visiting holy sites near Mecca in Saudi Arabia were crushed to death inside a tunnel after a power failure plunged them into darkness.

Thousands heed call Tens of thousands of South African blacks stayed away from work and schools after the African National Congress called a general strike in protest at faction fighting between rival black groups. Page 4

IRA attacks police The Irish Republican Army fired a rocket at a Belfast police station, injuring 10 peo-ple. Police later seized a Soviet-made rocket launcher and

Walesa unity display Lech Walesa, the Solidarity leader, has invited the Polish Prime Minister and other Solidarity leaders to the Gdansk shipyard to demonstrate the movement's unity after the factional strife of the past few

BA launches inquiry British Airways ordered a "full and immediate investigation into its security after admit-ting that a fake bomb had been smuggled on one of its flights.

Page 8

Cholera kills 15 Fifteen people have died of cholera in Patna, the capital of India's Bihar state, after a month-long strike by workers

who clear garbage. Diplomatic thaw China and Indonesia resumed talks in Peking aimed at normalising relations which were

frozen 23 years ago. Page 4

Paris air strike Airlines have cancelled dozens of flights in and out of Paris as air traffic controllers prepared for a three-day strike beginning today at France's largest flight control centre. Brussels pay offer, Page 2

Police stop music Kenyan police swooped on dozens of people who were listen-ing to or selling so-called "sub-versive music" which supports multi-party politics and satir-

ises the government of President Daniel arap Moi. Mandela urges talks Black nationalist leader Nelson Mandela urged Britain and the Irish Republican Army to

begin negotiating and stop the slaughter in Northern Ireland. **UN peace effort**

The United Nations embarked on a new effort to secure a lasting peace between iran and Iraq, encouraged by signs of improving relations between the former Gulf War enemies.

Blockade fully lifted The Soviet Union said it had fully lifted its economic blockade against Lithuania following a breakthrough in the crisis over the republic's declaration of independence.

Storm batters Japan Heavy rain battered parts of southern Japan with floods and landslides killing at least 16 people.

Business Summary

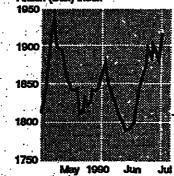
Põhl rejects **British plan** fraud charge for 'hard Ecu' alternative

Karl Otto Pohl, President of the West German Bundesbank. rejected the British Government's plan for a "hard Ecu" and European Monetary Fund as an afternative to the Delors Committee's proposals for economic and monetary union (EMU) in Europe.

In a lecture for delivery to the Institute of Economic Affairs, Mr Pöhl restated his support for a future European Central Bank System (ECBS) and the creation of a "common" European currency to replace national currencies. Page 18

Markets: Domestic institutions and traders took the FAZ index up 9.54 to 805.18 at midsession and the DAX by 35.40, or 1.9 per cent to 1,915.30 at the close as Frankfurt celebrated moneas Frankint Calentated mone-tary union, and the strong per-formance of the D-Mark. Back page, Section II. Bond rally. Page 23; East German businesses expect help. Page 2; Second day of GMU, Page 18

W.Germany Aktien (Dex) Index



LONDON'S two leading financial futures and options exchanges are to merge by the end of the year into a market that will be called the London Desivatives Exchange. Michael Jenkins, currently chief executive of the London International Financial Futures Exchange (Liffe), will head the market. Page 19

RALPH Ingersoll, US newspaper publisher, said he was swapping his share of his American publishing empire in return for taking control of newspaper interests in the now jointly owned. Page 19

GENERAL Instrument, leading supplier of components to cable and satellite TV companies, has agreed to a \$44.50 a share cash takeover offer worth \$1.6bn from Forstmann Little, New York buy-out spe-

RATNERS Group, UK jewellery retailer, has made an agreed offer for Kay Jewelers, loss-making US group in a deal valued at \$412.2m. Page 19;

DFC New Zealand merchant bank creditors were told that their claims should be met in full. The bank collapsed last October owing some \$1.3bn

(NZ\$2.2bn), Page 21 BASF, West German chemicals company is to sell its interests ininks and fragrances in the US thought to be worth about

\$450m, Page 22 **ROTHMANS** International, UK cigarette and luxury goods group, is paying \$130m (F1 245m) for Theodorus Niemeyer, Dutch producer of pipe and rolling tobacco. Page 22

AUSTRALIA and New Zealand have opened talks aimed at harmonising services after completion of a package which swept away final tariffs, import curbs and barriers on goods and services. Page 3

BRITISH Technology Group and Creditcapital Finance Corporation, Bombay-based financial institution, are to enter a joint venture to establish India's first commercial technology development and transfer organisation. Page 4

TORONTO market was closed

Gorbachev warns of dark age if perestroika is halted

By Our Foreign Staff

Mikhail Gorbachev yesterday turned on his conservative opponents in the ruling Communist Party, denouncing criticism of peres-troika as "rubbish" and warning of a new dark age in the Soviet Union if the process is brought to a halt.

Opening a key party congress that could decide the future of the Communist Party of the Soviet Union, he branded as rubbish charges by old-style activists that his blueprint for progress was to blame for the country's economic and political crises.

A conservative-dominated audience of party faithful sat in pear silence as Mr Gorba-chev offered the country a

stark choice in an attacking keynote speech. He said: "There are voices

- more than that, an opposition has formed - which says that in all our failures perestroika (restructuring) is to blame." This was "simply rubbish,"

he declared, blaming a heavy legacy of policies by previous, discredited administrations. Mr Gorbachev said that without sweeping change the Soviet Union was already on the way to becoming "a second-rate power."

Insisting the way ahead lay through political pluralism and a free-market economy, the State President and Party General Secretary said reform

could only be wrecked "if someone manages to split the

democratic forces...
"Either society goes along the road of the deep transformations that have begun... or anti-perestroika forces will get the upper hand and then dark times are in store for the country and the people," he told the 4.657 delegates.

In contrast to all previous congresses since the 1920s, the party leader's address won lit-tle applause from an audience in the Kremlin Palace of Con-gresses that was overwhelm-

ingly conservative.
Within minutes of the congress opening - as anti-com-munist protesters chanted

Square outside — a hard-line delegate from the Far East called on the leadership to resign immediately.

And in statements in Pravda, the party daily newspaper, other conservatives said cur-rent leaders were guilty of "gross errors" that had brought the country into eco-nomic and social turnoil and should be replaced.

Conservatives, including senior army officers, accuse him of leading the country back towards capitalism and of weakening its defences through unequal arms deals with the west and by allowing cartery. eastern Europe to abandon

But on Monday, Mr Gorba-

chev insisted that the country's problems originated under Stalin when a controlled bureaucratic party elite estab-lished a grip on power. "The abandoned state of our

farms, the disastrous situation with our forests and rivers, the massive ecological problems - are these not the result of the policies followed in past decades?" he demanded.

The national and ethnic problems that have surfaced in all corners of the 15-republic federation and pose a major threat to its unity "have not arisen yesterday but have their roots in the past," Mr Gorbachev declared.

"And the militarisation of

countless billions of roubles that could have been spent on improving peoples' standards of living? And the war in Afghanistan? Were they caused

D 8523A

by perestroika?"
Mr Gorbachev told the congress his foreign policy based on "new thinking" and "com-mon human values" in contrast to the past hostility to the outside world had brought a lasting peace closer and a better chance for the country to

He referred to the collapse of old-style communism in eastof Soviet forces at the request of the new governments there. Bush plans to make N-weap-

Philips expects Fl2bn loss after rationalisation costs

By Ronald Van De Krol in Eindhoven

SHARES in Philips, the Dutch electronics group, fell 7.3 per cent yesterday to a new low for the year after the company said it expected to make a 1990 net loss of Fl 2bn (\$1.07bn) – its first in living memory.

The loss compares with record net income of F11.3bn last year and will result from a charge of Fl 2.7bn that Philips will take in the second half of the year for slimming down and rationalising its struggling computer and computer chip

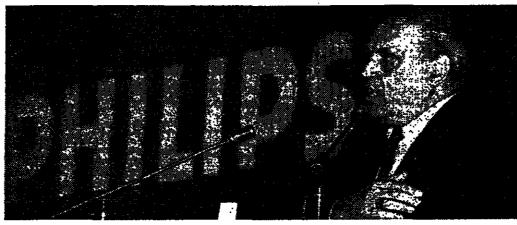
The shares closed yesterday at F1 30.70, down F1 2.40. Announcing the surprise forecast in his maiden speech as the new president of Philips, Mr Jan Timmer told an extraordinary shareholders' meeting that the company would also cut 10,000 jobs, mainly in Europe. The com-pany employs 200,000 people in Europe, two-thirds of its worldwide workforce.

In comments to reporters later, Mr Timmer, 57, described the F12.7hn financing charge and job cuts as "one of the most serious, most far-reaching programme of measures in the history of Philips."

Mr. Timmer, formally appointed president of Philips

yesterday, said the company did not plan to withdraw entirely from computers or computer chips. But he said Philips would rethink these activities and slim them down to concentrate on those areas it "In information systems, we

will make major reductions in in-house development and in-house assembly," Mr Tim-



Hand on heart, Philips president Jan Timmer promises shareholders a return to profit

mer said. "In the long term, we don't rule out the possibility of partnerships with others, but not until we've put our own house in order." Talks on co-operation with Olivetti of Italy recently ended in failure.

Mr Timmer cited computer systems for banks as a sector on which Philips would continue to concentrate. The company will also redouble efforts to develop optical storage systems for computer data, he Half of the F12.7bn charge

will be earmarked for writeoffs of fixed assets, including

Mr Timmer, a 38-year veteran of the firm with a reputa-tion for turning around lossmaking activities, said the company had sufficient financial strength to absorb the Fi 2bn loss. Philips had begun talks with its bankers, he said, adding "our bankers will sup-

port us in this operation." He said it was too early to comment on whether Philips would omit its interim, or even its final, dividend for 1990.

Yesterday's shareholders' meeting capped two months of controversy at Philips. In May, former Philips president Cor van der Klugt was forced to resign his post following the publication of disastrous firstquarter figures which ran counter to optimistic stateents he had made at the annual shareholders meeting only three weeks earlier.

Despite repeated questioning y shareholders, Mr Wisse Dekker, supervisory board president, declined to comment on how the company got its April forecast wrong, saying the matter was now the subject of a class action suit by US shareholders who accuse Philips of misleading them. Mr Timmer's forecast of sub-

stantial losses in 1990 is the latest in a series of downward revisions of expectations. In mid-June, the company had said only that profits would be "very low" this year.

In the first five months of 1990, operating profit fell 13 per cent to Fl 774m on turnover which rose by one per cent to Fil 21.18bn, the company announced yesterday.

The professional products and systems division, which

includes computer activities, posted an operating loss of Fl 124m, reversing a slim Fl 25m profit recorded in the Operating losses in compo-

nents widened to Fl 42m from Fl 5m. However, operating results in the consumer electronics division surged to Fl 645m from Fl 349m. Lex, Page 18; Tough times in

Brussels to rule out border curbs on pension funds

By Tim Dickson in Brussels

NATIONAL CURBS inhibiting cross-border investment by pension funds must be removed, Sir Leon Brittan, EC Competition Commissioner,

warned yesterday.

In a speech to the Interna-tional Pensions Conference in the Netherlands, Sir Leon said some investment restrictions were "clearly discriminatory," while others "may be illegal insofar as they contravene the crucial directive on freedom of capital movements" which took effect this week.

Sir Leon admitted that some exceptions to free capital movement could be justified on prudential grounds and by the danger that movement of large amounts of capital by pension funds could disturb national monetary and exchange rate But he added that he sus-

pected many national restric-tions on pension fund invest-ment could not be defended in this way. "Their effect, if anything, is not to increase pru-dential levels, but to limit them, by obstructing optimal portfolio diversification. Sir Leon drew attention to

the vast size of the European pension fund industry, noting that in the UK and the Netherassurance assets represented more than the entire gross domestic product.

"The implication of these gigantic sums is that if pension fund assets continue to be subject to restrictive national leg-islation, the directive on freedom of capital movements...

will lose a good deal of its force

and purpose."
The intention in Brussels to create a single market for pensions - allowing full freedom for cross-border membership, management and investment of funds – has always been implicit. But yesterday's speech, delivered on Sir Leon's behalf, set out the Commission's detailed strategy for the

In the speech, he emphasised how important it was that retirement financing "keep pace" with greater employee mobility and with the growing tendency for European compa-nies to straddle national borders. The freest possible flow of pension fund assets, moreover, was vital for economic growth in the Community "as well as for wider purposes such as the development of eastern

Sir Leon dismissed fears in the industry that Brussels saw no distinction between pensions and insurance but he stressed that, as in other fields, progress would be sought principally on the basis of mutual recognition, and not of detailed harmonisation."
Full analysis of the issues

has yet to be completed, but he approach to tax would be one of "territoriality" - that is to say a fund would continue to be taxed in its country of establishment, while the contributions and benefits of members would be determined by the rules in the member state of the individuals involved.

Timmer wins mandate to bring back vital spark

mall investor, who has had Philips shares in his portfolio for 20 years, summed up his frustration with the company yesterday, writes Ronald van de Krol in Eindhoven.

Philips' shareholders have become used to disappointing profits and to millions of guilders in annually recurring restructuring costs. But they were not prepared for yester-

At the heavily attended extraordinary general meeting, called to approve the appointment of Mr Jan Timmer as president, an uncom-fortable murmur arose when he delivered the bad news. Shareholders reacted with irritation and frustration. One was applauded when he

asked why members of the company's supervisory board did not follow the example of the previous Philips president, Mr Cor van der Klugt, who had resigned a year ahead of

Another complained that Philips, the inventor of the

"Do you have something compact disc, among other against us shareholders or products, was losing its place what?" This was how one as the international showcase of Dutch industrial prowess.

The most popular metaphor chosen by shareholders to express their criticism was a nautical one. The choice was partly a legacy of Mr van der Kingt's five years in office during which he spoke of Philips as a mammoth tanker that was slowly being turned around and put on course.

The comparison has come back to haunt the company's senior management. Mr Henk Bijvank, an official of the Dutch union Industriebond FNV argued that rather than cleaning up the tanker's "holds" – the company's activities and lower-ranked employees - the company would do better to thin out the "bridge" - in other words, upper-level

He made clear that while the unions were prepared to co-operate in carrying out reorganisation, they would not take part in a wholesale divestment of the company's computer and component activities, a possibility he compared with the behaviour of hypothetical asset strippers who would tear apart a tanker to create a lightweight yacht,

By making such a bold start as president, Mr Timmer obviously meant to clear the decks and to put the company on course for improved results by

culture was partly to blame for its difficulties.

One of his goals was to make the company more com-mercially minded and to make managers more responsible for

"We have a big reputation for research and development and we don't want to lose that reputation. But we do need to make sure that the fantastic products which we develop get expressed more quickly in the financial results."

"leaving the debris strewn on the world's beaches."

its centenary in 1991.

Despite the frustration of shareholders, Mr Timmer was given a vote of confidence by several speakers. In contrast to Mr van der Klugt, who had often reacted irritably to criticism, Mr Timmer acknowledged that Philips' corporate

their financial results.

EUROPEAN INVESTMENT BANK PTE 10,000,000,000

15.50% Bonds Due 1995 Issue price 100.25 per cent.

LEAD MANAGER Banco Totta & Açores, S.A. CO-LEAD MANAGER

EFISA-Engenharia Financeira, S.A.

DOMESTIC UNDERWRITING GROUP:

Banco Totta & Açores, S.A. EFISA Engenharia Financeira, S.A. Banco de Fomesto e Exterior, S.A.

Banco Português de Investimento, S.A. Canca Geral de Depósitos Deutsche Bank de Investimento, S.A. Banco Nacional Ultramarino, S.A.

Banco Português do Atlântico, E.P.

Banco Internecional de Crédito, S.A..

Citibank Portugal, S.A.; Bilbao Vizcaya-Sociedade de investimentos, S.A.

Finantia-Sociedade de Investimentos, S.A.

INTERNATIONAL MANAGEMENT GROUP:

Bankers Trust International Limited

J.P. Morgan Securities, Ltd. Paribas Capital Markets Group Deima Europe Limited Samuel Montagu & Co. Limited Merrill Lynch International Limited

iss Bank Corporation

Bayerisch Vereinsbank Aktiengesellschaft

CONTENTS

Jakarta: Indonesia worries as Cambodians No honeymoon but a trial by fire swell tide of boat people Japans Tokyo-Narita named the world's mos expensive airport ... Management: East Bloc entrepreneurs - the struggle for an independent life ... Editorial Comments Mr Pohl on EMU; A new era for the National Health Service . Marriage of conveniences Problems face GEC and Siemens after Plessey ... Lex: Philips; Bundesbank; consumer credit; Berisford; Ratners

Survey: Sweden: To join or not to join the European Community? _ Britain
Companies 25-29
Arts Guide + Reviews . 15
Commercial Law 10
Commodities 39

for the new president of Chile



The first 100 days or so in office have been more of a trial by fire than a honeymoon for President Patricio Aylwin of Chile (left).The restoration of democracy landed him with a host of problems. Page 5

Observer . Unit Trusts New York & \$1.7845 \$1.7835 (1.7445) FFr9.81 (9.76) SFr2.475 (2.47) Y286.75 (265.5) 2 Index 91.7 (91.4) COLD New York: Comex Aug \$360.8 (359.9)

\$357.5 (352.75)

MARKETS

STERLING

SFr1.4035 (1.4155) Y151.25 (152.25) \$ index 66.4 (66.8) Tokyo close: 151.4 US lunchtime rate Fed Funds 82% N SEA OIL (Arous) 3-mo Treasury BIRs Brent 15-day Aug \$15.875 (16.3) yield: 7.976% Long Bond: 103 12 Chief price changes

DOLLAR

DM1.6555

FFr5.5575

SFr1.402

Y151.15

DM1,658 (1.6655)

FFr5.5625 (5.595)

2,889.6 (+8.91) S&P Comp yield: 8.393%

358.41 (+0.39) Tokyo: Nikkei 32,160.23 (+219.99) LONDON MONEY 3-month interbank: closing 14登 (14월) Little long offt future Sep 85% (85%)

STOCK INDICES

2,872.0 (-2.6)

1.896.6 (-3.3)

FT-A All-Share

New York lund

DJ Ind. Av.

1,170.25 (-0.1%)

FT Ordinary:

E German businesses expect help in battle to survive

EAST GERMANY will not, after all, impose an 11 per cent duty on a range of West German consumer goods as had been envisaged in the East-West German State Treaty as a provisional protection measure for East German industry.

The East German Volkskammer (parliament) voted against the measure last Thursday. On Friday the Government insisted it was sticking to the measure but later changed its mind and abandoned it in the

complications with the EC.

However, there remains a wide consensus supporting some provisional assistance measures for East German companies and there is now speculation that, instead of import duties, companies will receive direct government sup-port to allow them to lower their prices. Other assistance measures include:

Higher food prices force East Berliners to buy sparingly

By Leslie Colitt in East Berlin

EAST GERMANS, deprived of massive food subsidies with the introduction of the D-Mark, yesterday significantly lowered their purchases of formerly

cheap staple foods. Even the expected flood of **East Berliners into West Berlin** supermarkets and apartment stores did not materialise.

Mr Peter Frenser, the manager of West Berlin's low-priced Bilka department store, said the East German shoppers who came had apparently taken official calls to heart and were saving as much as possi-ble of their new D-Mark

But on a more ominous note, the higher prices for basic foods and the planned removal of subsidies for housing and transport triggered off a series of warning strikes in the metal working industry.

Workers in the Ludwigsfelde truck factory and in a steel mill and locomotive plant in Hennigsdorf yesterday heeded a call by the IG Metall trade union in Berlin-Brandenburg. The union demanded a DM400

 All investors (including foreign investors) qualify for a 12 mind and abandoned it in the face of increasing scepticism in both Germanys and potential East Germany. There have

monthly wage rise, along with a 40-hour working week, and

payment of a 13-month bonus.

sudden price rises and the

threat of strikes seemed quickly to dilute the suphoria

of the weekend when East Germans could exchange their

savings for West German cur-

For instance, food store managers from Rostock to Dresden

reported sharply reduced buy-ing of formerly highly-subsi-dised bread, sugar, milk, pota-

Ms Edith Goldbach, manager of the large Kaufhalle store in Rostock, said she would order

half of the previous 1,000 litres

of milk a day, as customers were buying correspondingly

against a previous price of Marks 0.66.

emerging from a bakery in East Berlin's Stargarder

Strasse said they would no lon-

ger be eating rolls each day for breakfast at DM0.20 a piece (formerly Marks 0.05). East

A woman and her husband

ess milk at DM1.29 a litre

toes and beef.

Thus, the combination of

some areas of the country. A There will continue to be an incentive for West German companies to buy East German products as they can claim back the value added tax they pay. Before economic union there was a double incentive as they could claim back VAT despite the fact that they did not pay any.

There is likely to be selective waiving of corporate debt

regional incentives and it is likely to be raised, at least for

been complaints that this does not even match West German for East German companies, especially those in the defence sector or those that spent large sums on expensive foreign investment goods. In several other areas West

German economic laws or reg-ulations will not immediately apply.

Bankruptcy and cartel laws, although both based on West

German models, will be applied West German corporate tax does not come in until January and even then is likely to include special tax breaks, and

maintain low basic food prices

and large-scale waste was the

ularly fed to pigs, as it was cheaper than fodder.

Reduced subsidies will also

environmental regulations are being phased in over a fiveyear period. Supporters of more generous

provisional assistance may be strengthened by the latest preeconomic union data which shows that East German indus-trial production fell by 5.5 per cent in the first five months of this year. For the first three months of the year investment

fell by 13 per cent. In May the drop in production was especially sharp and 11.6bn East German Marks worth of orders were cancelled.

West Germany rose 92 per cent compared with May 1989, and deliveries to West Germany fell by 9 per cent. Mr Gerhard Pohl, the East

German Economics Minister, says, however, in an interview published today that the belief that 20 per cent of all compa-nies would collapse now looks too pessimistic. He also announced that East German food production that could no longer be sold in East German shops would be sent to the Soviet Union.

Electricity deal may be blocked

By David Goodhart

THE CONTROVERSIAL plan for three of West Germany's largest utilities to take over the East German electricity supply system is unlikely to survive in its present form after the West German Cartel Office announced yesterday that it was opening an official

Such investigations can last four months but a spokesman said that a result was expected within two to three weeks. The Cartel Office, which claims a blocking right because of the repercussions such a take-over could have in West Germany, is clearly opposed to the deal as it stands.

The West German companies RWE, Preussenelektra and Bayernwerk want to take a controlling stake in electricity supply and distribution in exchange for pumping in billions of D-Marks in investment to bring the Rast German system and the property of the state of th tem up to western levels of

efficiency and environmental

They have the support of the They have the support of the East German Energy and Environment ministries, which had been hoping to sign a deal last week. Against the deal, as currently structured, are the East German Cartel Office (part of the Economics Ministry), its West German counterpart and

West German counterpart and the Bonn Economics Ministry. the Bonn Economics Ministry.
The changes required by the West German Cartel Office may not be that rigorous but will at least require that the deal is opened up to other West German utilities. "In its present form this is just a licence to print money", said one official yesterday.

The Economics Ministry in Bonn and the West German Cartel Office are keen to pro-

Cartel Office are keen to promote separation of electricity production and distribution, as in the UK and the Netherlands. But political and indus-trial objections to such a move in West Germany may be too

strong.

• It will be possible to phone readily into East Germany as early into East Germany as early as the end of 1991, according to Mr Erwin Hardt, a Siemens board member with responsibility for telecommu-nications. He said that Sie-mens was delivering 10 exchanges with 100,000 lines.

Group of 24 to spurn Romania

over aid

EC officials were in Bucharest yesterday and are expected to report their latest assessment of Romania's eligibility for western aid to ministers of the Group of 24 donor-countries in

Brussels tomorrow, David
Brussels tomorrow, David
Buchan reports.

The Brussels Commission,
which co-ordinates work of the
G-24, has effectively ensured
that tomorrow's meeting will
cold-shoulder Bomania because of last month's tactics in quelling demonstrations. The Commission has not invited Bomania to Join Czechoslovakia, Bulgaria, Yugoslavia and East Germany in sending ministers to Brus-

sels tomorrow.

To keep contact with Bucharest, a mission has been organised by Ireland, Italy and Luxembourg, as past, present and future presidencies of the EC Council of Ministers.

EC friction with US mars start of Rome presidency

WORRIES that deteriorating EC relations with the US will complicate Haly's tenure of the European Community's presidency over the next six months threaded their way through a seaside encounter between the Italian Government and the European Commission yesterday.
With next week's summit of

the west's seven most industri-alised nations looming in Texas, Mr Jacques Delors, the Commission president, is believed to have strongly critinised the US rejection of the Twelve's readiness to consider aid to the Soviet Union and also Washington's hard line against the EC's system of agricultural support. He was resentful of Washington's failure to consult with Europe before making public state-

Neither the Commission nor Italian ministers seemed able to summon up much optimism for the final phase of the Uru-guay Round trade talks, fearing that the US and Europe might not be able to close the gap on agriculture. "There is a need to take an overall view," said Mr Giulio Andreotti, the Italian Prime Minister, in an implicit criticism of the US at a press conference afterwards. Both sides fielded full teams

Mr Delors' definition of no fewer than 10 priorities for the next half year, which he said promised to be "fascinating and perilous*. But the main priorities emerged as preparation for December's two inter-governmental conferences on economic and monetary union and political union, and the need to give a decisive push to social action proposals aimed, as Mr Delors said quaintly, at creating "a Europe for the workers".
The Commission president seemed entirely relaxed about the possibility that not all gov-ernments would head down the

yesterday - 23 ministers for Italy and 17 commissioners for

Europe - at what was once the coastal summer residence

near Rome of the Italian royal

family. The Italians were rendered somewhat breathless by

economic and monetary union road. "We can have an eco-nomic community of 12 and a monetary union of nine and still be good friends," he said. All involved are still vague all involved are still vague about the shape of political union. The Italians want the next meeting of EC foreign ministers to set up a special group of ministerial representatives to try to agree on a mandate for the December conference.

Albanian deputies declare Kosovo's independence

By Laura Silber in Pristina

ETHNIC Albanian parliamentary deputies yester-day declared Kosovo indepen-dent from Serbia, putting the province on a collision course with Yugoslavia's largest republic. Serbia is rushing through a new constitution to strip Kosovo of its autonomy. More than 100 deputies, standing in sweltering heat outside Kosovo's Parliament, yesterday unanimously adopted a declaration which would give the province, a part of Serbia, a status equal to Yugoslavia's six republics. One

deputy said it was tantamount to naming Kosovo a republic, although the word "republic" was omitted out of political

The deputies had been locked out of the parliament building by the pro-Serbian authorities. The legal status of the declaration was unclear, as parliament was not officially in session. However, the deputies insisted that it was binding

Serbia, the declaration abolishes the constitutional amendments of March 1989, which severely limited Kosovo's autonomy in favour of Serbia and triggered riots.

Mr Slobodan Milosevic, the

In a further challenge to-

Serbian president, called a republic-wide referendum, held yesterday, on whether to adopt new constitution before multi-party elections are held. But in response to an appeal by Kosovo's opposition groups to boycott the referendum, more than 400 polling stations were closed in the province. Serbia fears that multi-party elections would bring to power

an ethnic Albanian govern-ment which would seek to join neighbouring Albania.
Kosovo's declaration of political independence raises the stakes of the intense battle being waged between Serbian leaders and ethnic Albanians, who make up 90 per cent of the province's 2m population, for

Broadcasting union votes to keep itself exclusive

Union, under investigation by the Brussels Commission for alleged anti-competitive prac-tices, has decided not to admit new commercial broadcasters. new commercial broadcasters. The club of public service broadcasters responsible among other things for distributing World Cup coverage around Europe, took the decision not to change its policy at its general assembly in Paris over the weekend.

give rival commercial broadcasters equal rights to the pic-tures. There would usually be a delay of some hours before non-EBU members would be able to broadcast the coverage. Mr Jean-Bernard Münch, the Union's secretary general, hopes this will be enough to persuade Brussels to exempt the EBU from competition rules. He is adamant, however,

companies in Britain - should become members. "We don't want them [new commercial broadcasters] as

members, but we think it is right to collaborate with them on a contractual basis." Mr Münch said. Arrangements already exist to give commercial broadcast-

ers access to one of the union's other main tasks, the daily exchange of television news. Mr Münch believes that if all broadcasters were allowed to join, the EBU would no longer be able to carry out its task of acquiring exclusive rights to sports events and would become merely a lobbying organisation for the industry.
Fifteen members, including the BBC, do have a joint ven-

ture with Eurosport, one of Mr Rupert Murdoch's satellite Rupert Murdoch's satellite channels. That, too, is being investigated by Brussels foilowing a complaint from W.H.Smith's Screensport.

The general assembly, which ended yesterday, also decided to strengthen its collaboration with the Prague-based International Radio and Television Organisation. As part of this

as associate members.

Soviet party congress opens to the sound of blunt warnings

IF ANY doubted that the fur

would fly at the 28th Soviet Communist Party Congress, they barely had to wait five minutes before the first bloody attack was launched.

Mr Vladimir Bludov from the bleak gold-mining, missile-strewn peninsula of Magadan, in deepest Siberia, was the first delegate on his feet, with a

last party conference and the

in industrial output.

party there has split in two, without quite admitting it yet. So the Russian speakers wanted one man on the presidium, and the Estonians another, with the result that they all got two to make up for

And then Mr Yuri Boldyrev, an arch-radical from Leningrad who is publicly committed to splitting the party, demanded a debate on 73 years of one-party

rule in the Soviet Union, on "the political responsibility of the Communist Party towards the communist Party towards
the people".

There was no doubt that
what he had in mind was
something like an instant Nuremberg trial, as the demonstrators demanded outside the

The great majority of the

committee delegates chose to attend both meetings merely to

demonstrate unity around Mr

Walesa. At the same time the

the people, bring the Communist Party to justice," according to one placard waved as he party men swept by. The real radicals in the congress are in a tiny minority —
with perhaps little more than
100 of the 4,657 — yet Mr Boldyrev got more than 1,000
votes for his proposition, suggesting that many on the floor might not have quite under-stood what he intended.

for a debate on party property he spelt it out: "I am in Iavour of the wholesale nationalisa-tion of all the property of the party," he declared. But he did not bother even to call for a

for the centre-piece was his big report on the past four years of perestroika - as well as an attempt to see some way ahead

through the snoke of battle.
Half of it was vintage Gorbachev, lecturing, hectoring, denouncing and demanding, giving no inch to the conservative ranks of his party col-So when it came to calling leagues in his demand to speed

up reforms, in complete com-mand of his subject and the huge occasion.
For the rest of the speech he

response was a lot of smug murmuring from the floor.

blood, although delegates are

dent himself they are after. They have demanded, and won, the right to interrogate all the members of the Polit-buro – so that redicals can grill Mr Yegor Ligachev, the grin mr regul ingactier, one arch-conservative, and the con-servatives can let fly at Mr Eduard Shevardnadze, the For-eign Minister, Mr Alexander Yakovley, and Mr Vadim Med-vedey, the party leader's clos-est allies

for Mr Gorbachev. Yet every-thing is still to fight for. "There are those who claim that perestrolks is to blame for-all our present troubles," be declared, looking at one and all. "Forgive me for being blunt, but that is simply rub-

The Flancial Times (Europe) Ltd.
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guioflettetrasse 54, 6000 Frankfurtam-Main 1: Telephone 69-75980; Fax 669-722677; Telex 416193 represented by E. Hugo, Frankfurt/Bain, and, as members of the Board of Directura, R.A.F. McClosn, C.T.S. Damer, A.C. Miller, D.E.P. Palmir, London, Printer-Frankfurter Societzels-Druckerri-Gmb4. Frankfurter Societzels-Druckerri-Gmb4. Frankfurter Main, Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1990.

Registered officer Number One, Southwark Eridge, London SEI 9HL Company incorporated under the laws of lingland and Wales, Chaltman D.E.P. Palmer, Main shareholden: The Francial Times Limited, The Francial News Limited, Publishing threater B. Hughes, 168 Run da Rivoli, 79044 Paris Ceder. 01. Tek. (01) 4297 0621; Far. (01) 4297 0629. Editor: Sir Geoffrey Owen. Printer: SA Nord Eding, 15/21 Ruc de Caire, 99100 Roubint Ceder 1. SSN: ESN 1148-2753. Contempiost Pariture No 67808D,

Fallen sport star soars into management firmament By David Goodhart

IF EAST GERMANY has 10,000 Frank Löfflers there should be little doubt about a second economic miracle. Flashing around the East German town of Erfurt in his black BMW, he represents, at least to the clients of his small nent consultancy, the entrepre-

Back in Bonn, where he spends weekends with his wife and young child, his single-minded pursuit of money and success seems to his affluent West Ger-

man friends to be a slightly vulgar throw-back to the past, to the West Germany of the 1950s. But his ambition and his experience of both Germanys puts him in a perfect position to contribute to, and benefit from, economic union. Born in Erfurt, 30 years ago, he was initially a young star of the Communist regime and attended a special school for potential

At the age of 16 he started saying rude things about the regime and was thrown out without being allowed to complete his vital Abitur examination.

Big pay offer to |

BRUSSELS air traffic

controllers have returned to work after one of the quickest and most successful strikes in

Belgian history. After two days of pandemo-

nium at Zaventum airport at

the end of last week - with no

aircraft moving at all - the Government capitulated with a

pay rise offer of 24 per cent over two years, as long as

there are no strikes during the The strike came as Zaven-

tum is embarking on a five-year expansion programme, designed to make it one of Europe's best and biggest air-

Economists fear that the

extent and rapidity of the air

traffic controllers' settlement will whip up expectations in

other sectors in the two-year wage round which begins this

It may also further harden the position of the teachers in the French part of Belgium who have been on strike since the beginning of the summer

over a wage increase of about 2 per cent in real terms. The air traffic controllers'

deal, which compares with an inflation rate of some 3 per cent, is seen by some as a spe-cial case. It makes up most of the differences in levels of pay earned by their counterparts at

other European airports, who receive 30 per cent more on

Sir William Ryrie

A news story from Warsaw in yesterday's Financial Times gave the name of Sir William Ryrie, head of the Interna-

tional Finance Corporation,

Correction

incorrectly.

Brussels air

controllers

By Lucy Kellaway

After a few years of manual jobs he moved to West Germany at the age of 20 thanks to an "arranged" marriage. He qualified as a lawyer and joined the

Yuppie set in Bonn. Most East Germans who have found a new life in West Germany over the past few years would not dream of going back. But as soon as the Berlin Wall feil last year, Mr Löffler knew he wanted to go back to Erfort and combine his experience of how things work in East Germany with his knowledge of West Ger-

man law and enterprise He now has a ramshackle office in an Erfurt back street, from where he hands out advice to the new small businessmen of the area on everything from drawing up a West German-style bal-ance sheet to obtaining preferential treatment for fixing their telephones.

Mr Löffler is by temperament an opti-mist about East German prospects. But he is full of detail about the problems piling up for the small businessman. One of his clients, Mr Wolfgang Flugel, runs a group of co-operatively-owned

By Christopher Bobinski in Warsaw

MR LECH WALESA, the Solidarity leader, has invited Mr Tadeusz Mazowiecki, the

Polish Prime Minister, and other Solidarity leaders to the

Gdansk shipyard next Sunday

to demonstrate the move-ment's unity after the factional

strife of the past few weeks.

The invitation came after
Poland's civic committees, the

Solidarity movement's political

wing, showed at the weekend that they had no wish to see

any split in their ranks at the national level and that Mr

Lech Walesa, their leader, maintained their loyalty.

The message was made clear at two meetings in Warsaw at the weekend the outcome of which leaves Mr Walesa in a position to dictate terms to his written incide the mercant.

critics Inside the movement.

One meeting was called by
Mr Walesa himself as he

sought to maintain the status quo and the other by support-

garages. Mr Fingel is an enterprising man but has inherited a debt of DM300,000 (£100,000) at a time when he

Yes, we have bananas at last in an East Berlin department store

nowhere to be seen.

The Government paid Marks
34bn in subsidies last year to

affect rent for accommodation.

A doubling of rents next January and expected higher prices

Germans were also buying

All the bread yesterday came from the West, while loaves from East Berlin bakeries were

cost Marks 0.54.

bread more sparingly at and la DM2.79 a 1lb loaf, which had result.

needs new equipment.

He also has a political problem: under the rules that governed many small tramen's collectives, all workers and managers have one vote in the assem-bly that takes all important decisions. Two of the three sites are unprofitable and Mr Flugel wants to concentrate on the profitable one, a move which may

be voted down by the co-operative. concept so they can persuade the banks to keep them afloat, says Mr Löffler. It is also his role to have good contacts. There are only five state lawyers in Erfurt able to register new private com-panies, and he has made sure than one of them is already a good friend.

The Erfurt tax office is a bigger prob-lem. They are still full of former SED [Communist party] people who believe that all profits belong to them," says Mr Löffler. He has just recruited a new Liberal Party town councillor to help

Walesa seeks to show unity of Solidarity

A SENIOR World Bank official has urged the Polish

Government to speed up the construction of market institu-tions to counter the country's present near 30 per cent drop

Mr Willi Wapenhans, a deputy chairman at the World Bank yesterday praised the Polish authorities at the signing of a \$250m loan for the country's gas industry for their success in bringing down inflation as well as achieving a balance of payments and budget surplus so far this year.

But he said: "I think we have to be realistic and see the

very severe contraction of the economy." Recovery, he said "is critically dependent on putting in place the instruments and mechanisms with which you operate a market econ-

"It is in this area we would urge even more rapid action,"

he said, specifying changes in the banking system as well as the need for "more effective competition" a reference to

Meanwhile the World Bank yesterday opened its first permanent office in eastern Europe in Warsaw.

with such political problems.

he discovered that a 1967 Trabant car was still being valued at 6,000 East German Marks; the company's real value was about 800,000 Marks rather than

high concentration in a few areas. "Unfortunately we have got hundreds of people who want to run taxi companies, and at least 10 fitness centres are being planned in Erfurt," he says. He has no doubts about his own pros-

civic committee activists have also shown that they do not want to have anything to do

with other new political par-

the development of fledgling movements is crucial for the

future of democracy and that he wants the civic committees

to encourage rather than act as

to deny that he represents a

threat to democracy and has made great play with the charge that it was the propo-nents of one Solidarity party of government who risked estab-

However, the events of the past two days have strengthened Mr Walesa's political hand and leave him in control

of the civic committees which

are intent as ever on remain-

ing one movement united

around the Solidarity leader.

Mr Walesa has been careful

Mr Walesa has been saying

Other problems, such as converting balance sheets, just require a basic knowledge of accountancy, which few East Germans possess. In the course of examining one company's balance sheet

for heating have produced a

rash of newspaper wanted adverts for smaller flats.

spacious pre-war flat of four rooms - caused many elderly

people to remain in their large

old flats, blocking them for occupancy by families with

Low rents - Marks 90 for a

the 3m Marks it had in the books. Mr Löffler predicts that about 80 per cent of new small businesses will go

pects. "There is an enormous lack of generalists like me," he claims, and his local experience gives him an advan-tage over West German consultants especially in the small business sector. In a few years he aims to be market leader in the former East Germany.

By Raymond Snoddy

THE EUROPEAN Broadcasting

Paris over the weekend.

The focus of the Commission investigation is the buying of exclusive rights to important sports events. The EBU, at its congress, did agree to set up a system to sub-license sports rights held by members to the new broadcasters like satellite television operators. Such sub-licensing would not

that only those with a "public service mission" — and that includes the commercial ITV

Organisation. As part of this policy the broadcasting organisations of Hungary, Poland and Czechoslovakia were accepted

not quite sure it is the presi-

delegate on his feet, with a blunt message.

He called for the resignation of the entire ruling Polithuro, and its disqualification along with the rest of the Central Committee — all the great and good in the Party — from any of the posts of the congress. The reason, he said, was their failure to "fulfil the food programme", let alone carry out any of the decisions of the last party conference and the

27th congress. President Mikhail Gorbachev President Mikhail Gorbachev did not blink.
"I am sure we will come back to this issue," he said.
"But for now, let us get on with the agenda."
Then the worthy delegates from the Baltic republic of Estonia rushed in to air their deep divisions in public, for the party there has split in two.

ers of Mr Mazowiecki. The Prime Minister's allies

wanted to build a political party on the basis of the civic

committees as a counter to Mr Walesa's presidential ambi-

There was an air of unreality about the first day's debate, a skirmishing around positions as the combatants for the coming battle dug themselves in.

It was Mr Gorbachev's day, for the contra piece was his big.

For the rest of the speech he was a less certain figure, trying to fudge the party rules to make them more acceptable to the democrats, without alienating the party faithful. He condemned the party for its failure to give a proper voice to Soviet women, for all its rhetoric of egalitarianism — only 7.5 per cent of the congress are women — and all he got in response was a lot of smug

And when it was all over, the party leader got only the most cursory ovation — barely five seconds, with all the deleextes firmly in their seats. The congress is looking for

est allies. That was the first setback

Finuncial Times (Scandinavia) Ostro-gado 44, DK-1100 Copenhager-K, Deciment. Telephone (01) 13 44-41. Fax } (01) 935335.

B locomoti

10 (10 1 TO 10 1 TO 10 1 TO 10 TO 10

3世にアファット

ជ្រស់ ដែលប្រ

ika kata ka

#a⊈an u≥ Je.

数据统计 (1911)

de la Compa

team trade

Cable & over for

2v.

 $\{ \cdot, \cdot \}_{t \in \mathbb{Z}}$ 3 W ... ---:: .:.

compromise plans

The main and the state of the s

Management of the second of th Committee in the control of the cont in and receipt

To so the second

y Linned The Street Control of the Street Co Product of 49, see we tree: ETY Carling 27 ಗಿತ್ತಮಿಗಳ ನಿರ್ವ AND A COPPERATE OF

a litera inci ni. a withing the party to the second

on vok

The ing of Error

s declar ndence Turber their

数据学 医切れ上 And complex at it butter. 6 **% ------**

Lusive

THE Bush Administration yesterday walcomed compromise proposals for world farm trade reform being circulated guay Round trade talks.
But the EC response to the draft proposals tabled by Mr

and Tim Dickson in Brussels

Art de Zeeuw, chairman of the Gatt group negotiating agriculture in the Round, was at best lukewarm and at worst negative. The proposals outlined ways of cutting government payments to farmers, lowering barriers to foreign food imports and cutting export subsidies more deeply than other farm aid.

EC officials were understood to be dismayed that farm export subsidies, an issue on which the BC has been defenwhich the EC has been defensive and the US aggressive of late, had been singled out for special attack. No formal EC comment is expected until the paper has been fully studied, but the fact that certain key elements of the EC's negotiating universals earlier the transfer. ting proposals earlier this year had not been taken up caused disappointment

In Washington, Mrs Carla Hills, US Trade Representative, said the Gatt paper provided "a good framework for negotiations", but, noting "plus and minus" in the proposals, she did not want to negotiate publicly with Mr de Zeeuw.

There seems little progress so far in finding a compromise formula for the communiqué to as a means of breaking the deadlock between the EC and the Group of Seven (G/) industrial countries. This follows a weekend meeting of the "sher-rersonal representapas", or personal representa-

> from Mr Richard McCormack, US Under-Secretary of State for Economic and Agricultural Affairs and a G7 "sherpa", that it was an "absolute certainty" that the Uruguay Round would fail if no agreement was reached on liberalising farm

supports with the aid of the so called aggregate measure of support (AMS) would bring no net improvement in access to the EC market for the US or the Cairns Group farm-export-ing countries. President Bush would not be able to push any trade liberalisation package that did not include agricul-ture through the US Senate, while the US was running a \$100bm (£58bn)-a-year trade def-

ABB locomotives order

ASEA BROWN Boveri (ABB), Europe's biggest electrical engineering group, has won three contracts worth a total \$503m (2292m) for railway loco-motives, it said in Zurich yes-

terday, William Dullforce reports from Geneva.

The biggest, worth \$367m, comes from Swiss Railways, with an order for 75 locomo tives with a consortium led by ABB Verkehrstechnik. These SBB 460 locomotives will triple capacity on Swiss Railways' "piggy-back" service for transporting heavy lorries by rail across the Alps on the Gotthard tunnel route.

tives of the leaders.

A warning came yesterday

Mr McCormack said discussions in Houston would be very difficult" unless the EC modified its position. "Real change" had to occur in mar-ket access for US farm producis, along with changes in the EC export subsidy regime. The EC idea of cutting farm

They will have a maximum

speed of 230 kph. Delivery will begin in 1992. Swiss Railways has an option for another 19 locomotives. In addition, the Danish State Railway has placed an order worth \$110m for 17 regional trains with ABB Traction of Sweden and ABB Scandia of Denmark. Delivery

will take place in 1993 when a new tunnel under Denmark's Great Belt should be finished. British Rail has ordered 20 Class 92 locomotives worth \$26m with an option on another 40 from a consortium including ABB, Brel and Brush Electrical Machines.

art of Bush team greets | US attack launched or Canada bee launched on Canada beer policies

By Bernard Simon in Toronto

By Peter Riddell in Washington, Peter Norman in London THE US has revived international displeasure at protection of Canada's drinks industry by launching a trade complaint against the beermarketing policies of Canadian provinces.

> Mrs Carla Hills, US Trade Representative, is primarily aimed at rules which discriminate against beer imports from the

> However, it is also likely to haing further pressure to hear for the dismantling of trade barriers between Canada's provinces, which fragment the market by preventing Canadian brewers from supplying more than one province from

any brewery. The trade action was initiated under a so-called Section 301 petition by G. Heileman Breweries of Wisconsin. Heileman has sought to

export its products to Canada, rather than sign a licensing agreement — as brewers of most leading US brands have done — with a Canadian

The complaints allege distribution and listing restrictions as well as discriminatory pricas wen as distriminatory prio-ing. Imported beers are mar-keted by provincial govern-ment agencies, which have a monopoly on liquor distribu-

The Canadian brewing industry, which markets its products through industryowned outlets, had earlier threatened to bring an anti-dumping action against Heile-

The General Agreement on Tariffs and Trade (Gatt) two years ago called on Canada to lower barriers to beer and wine imports, in response to a complaint by the European

Community. The provinces have already begun moving towards less discriminatory mark-ups on wine, but they have so far failed to come to an agreement on beer.

According to Statistics Canada, consumption of imported beers jumped by 34 per cent in the year to March 31, 1989. This compared with a 1 per cent drop in sales of Canadian-made beer.

Rally around ailing trade talks

Uruguay Round wins friends as collapse threatens, writes Nancy Dunne

A S THE worsening of a patient's condition draws friends and family to rally around and forget offences and quarrels, so the tortuous negotiations in the Uruguay Round have begun to

prompt organised concern for the talks' well-being. Five years ago, little good was said in Washington of the General Agreement on Tariffs and Trade. Complaints centred The action, announced by on the ineffectiveness of the dispute settlement mechanism and the compact's increasing irrelevance. As the US trade deficit soared to \$150bn, quotas proliferated under the guise of "voluntary" restraint agree-

ments, and so did demands for bilateral sanctions. The mood has begun to change. Perhaps it is a sensitivity to the patient's fight for life - the arduous moves by 97 nations to lower market barriers and expand the coverage of ers and expand the coverage of the multinational trading rules – or perhaps it is the headlong rush of the embry-onic democracies in eastern

embrace the free market. It could be, too, the persistent refusal of President George Bush's Administration to impose bilateral sanctions, no matter what the 1988 trade law requires, on the assump-tion that, for this year at least, the Round is the only game in

Europe and Latin America to

Or it may be that the relentless warnings that the Round's failure would mean a disastrous contraction of trade within bilateral or regional blocs and the outbreak of doz-

ens of trade wars. "Without improved disciplines," Mr Donald Fites, president of Caterpillar, told a recent trade conference, "antidumping actions could become the international protectionist weapon of choice of the 1990s." If the round fails, then every-

one will pay the price - trade lawyers, perhaps, excepted. Thus, as the December deadline for the Round's conclusion approaches, attention has begun to shift to the Houston economic summit next week where President Bush placed the Round as a priority on the Mrs Carla Hills, who will be

only the second US Trade Representative to attend a summit, is seeking to widen the focus from US-EC differences over agriculture by stressing the fact that up to 40 nations may walk out if there is no farm trade reform. Also in Houston will be rep-

resentatives from the Eminent Persons Group, which includes former Senator Bill Brock, Lord Young, the former UK trade and industry secretary and new chairman of Cable and Wireless, and Mr Paul Jolles, board chairman of Nes-

tle.
The EPG, which was formed to push the Round to conclusion, will urge leaders of the industrialised nations to give their negotiators the mandate to make the necessary concessions to finish the agreement



Brock: to lobby summiteers

frameworks on schedule. The US business community has begun to organise, seeking to convince Congress that a good package of reforms must win acceptance. More than 14,000 companies have joined the MTN Coalition of companies with an interest in the multi-lateral trade negotiations to build support among the American public. Mr Harry Freeman, executive director of

that if the Round was to conclude successfully, the leaders should make the big political decisions, then give the trade negotiators the authority to work out the details, said Mr

Conferences on the Round have been proliferating. One held recently in New York provided a forum for the demands of US business that the Gatt rules be made relevant in the globalised, interdependent

economy. Mr James Robinson, chairman of American Express, insisted that the final agreement on trade in services "must be spelled out by the end of the Round, not left to be worked out after it is over".

He said: "Just as tariff nego-tiations result in specific and immediate tariff cuts, there should be specific, immediate reductions in barriers to services trade."

From the flag-loving Bush Administration came the admission by Mr Roger Porter, the President's assistant for economic and domestic policy, that the increasing interdepen-dence of the world economy had reduced the power of sovereign governments.

The implication was that sovereignty would have to be vielded in favour of a strong dispute settlement mechanism and that a deal could be worked out on demands that the US Administration forgo use of unilateral action under Section 301 of ITS Trade Act.

The old notions of nations, companies and markets rigidly defined by national borders and subject to unchecked sovereign government power is outdated and dangerous," Mr Porter said. "The logic of economic interdependence is acceptance of greater constraints on government action and greater international

| Australia, NZ start talks to harmonise services

AUSTRALIA and New Zealand have opened talks in Melbourne aimed at harmonising services, following completion of the Closer Economic Relationship (CER) package at the weekend, Dai Hayward reports from Wellington.

The new phase of the agree ment swept away final tariffs, import curbs and barriers on goods and services. It was welcomed by Mr Bob Hawke, Australian Prime Minister, and Mr Geoffrey Palmer, his New Zealand counterpart, yesterday. "Our future lies in open economies trading with each other in a free and fair way," a state-

Talks this week will centre on moves to harmonise legal and accounting practices, tax administration and access to each country's aviation, shipping and telecoms services. The issues are expected to be The issues are expected to be resolved by 1992, when the next CER review is due. "We are now looking at telecommunications and aviation," Mr

Hawke said yesterday. New Zealand wants to push on with remaining reforms and has expressed impatience with what is seen as Australian tardiness. But Australia is conscious of its obligations under other trade pacts, especially with Japan.

Investment is also on the agenda. At present, this offers no problem, because of the level of NZ investment in Australia, where, Mr Mike Moore, NZ Trade Minister says, one New Zealand company owns more real estate in Sydney than all Japanese investors combined. But Wellington says this could change under a new Australian government with whom no formal agreement

existed. Virtually no curbs exist on Australian investment in New Zealand, as shown in the number of Australian companies taking substantial stakes in

many NZ industries. CER has achieved a free trade area faster than expected. Since 1983, New Zealand exports to Australia have risen 170 per cent, with Australian exports to New Zealand up 80 per cent. New Zealand has reduced its balance of trade

Cairns Group set for vital farm statement

MINISTERS from the 14 major force in the farm talks farm-exporting countries forming the Cairns Group are expected to issue an important political declaration on the sta-tus of world farm trade reform talks, after a three-day meeting in Santiago, Chile, opening tomorrow, William Dullforce

reports from Geneva.

They will consider the draft text of a farm reform programme tabled yesterday in Geneva by Mr Art de Zeeuw, chairman of the group negotia-ting on agriculture in Gatt's Uruguay Round. The proposed programme aims to break the

US-EC deadlock. The Cairns group, co-ordinated by Australia, is the third

other members are Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, Philippines, New Zealand, Thailand and Uruguay.

Poland has special observer status at the Santiago meeting, where it will be represented by Mr Andrzej Wojcik, Secretary of State for Foreign Economic Relations. Before leaving Canberra, Mr Neal Blewett, Australia's Trade Negotiations Minister, who will head the meeting in Santiago, said the group aimed to send a firm farm-reform message to the Group of Seven (G7) industrial

powers' summit at Houston,
Texas, next week.

The message would also go
the G7 summits.

It is thought the Cairns ministers may decide to generate a

to the EC and Geneva, where a Gatt Trade Negotiations Com-mittee (TNC) meeting opens on July 23. Cairns Group negotia-tors in Geneva said they feared time was running out for a suc-

cessful end to the farm talks. After the US and EC failed to agree at the Organisation for Economic Co-operation and Development's ministerial meeting in May, on how to proceed in the farm talks, it was imperative the G7 summit should give firm guidelines and inject some urgency, negotiators said. Canada presents the Cairns Group viewpoint at

crisis at the TNC meeting at end-July, by blocking action on all other matters under discussion in the Uruguay Round until they are satisfied on the farm issue. The group's South American

members achieved this at the Round's mid-term ministerial review in Montreal in December, 1988. But they are unlikely to repeat the tactic, if they can persuade the US and the four EC nations represented at the summit to accept the de Zeeuw draft as a basis for a farm accord by the Uruguay Round's December deadline.

ratio from 4-to-I in Australia's favour to parity, with each country selling goods worth

We've got connections in all the right places.

Cable & Wireless has specialised in international communications for over a hundred years. Today we provide unique high quality service in over forty countries. Spanning the world, Cable & Wireless's Global Digital Highway is linking customers in key financial and commercial centres.

AROUND THE PACIFIC AROUND THE CARIBBEAN Hong Kong Telecom's 18,000 employees provide one of the Cable & Wireless operates local IN EUROPE most modern telephone services and international services in 14 Caribbean states, linking them In the UK Mercury Communiin the world, with more than one IN AMERICA by satellite and, via Bermuda, by cations offers its customers a phone for every two of Hong fibre optic cable to the world. Kong's 51/2 million people. Cable comprehensive high quality Over 60,000 business customers & Wireless also has a major telephone and communications in the USA have chosen Cable holding in IDC connecting cusservice. In 1992 Mercury Personal & Wireless Communications Inc Communications will launch for their long distance telecomtomers in Japan to the world via munications. Our digital system satellite and cable. the world's first truly portable telephone system. spans the States from Coast to

New Mercury House, 26 Red Lion Square, London WC1R 4UQ.

Victoria planning tighter banking law after failures

THE state government of Victoria announced plans to restructure its banking law yesterday as the political fall-out from the failure of three building societies began to

Mr John Cain, the Labor premier, said legislation would be tabled to protect depositors from future collapses by requiring the remaining 16 building societies to merge or acquire banking licences.
In the meantime, the state
government has arranged a

line of credit with five big banks, backed by the Reserve Bank of Australia, to support any other societies which face short-term liquidity problems. However, the government is refusing to accept legal or moral liability for the crash of the Pyramid, Geelong and Countrywide building societies, all subsidiaries of the pri-

The three societies have en closed for a week since the state government put in an administrator when the Farrow Corporation's liquid funds fell below the statutory limit of 7.5 per cent of total assets.

vately-owned Farrow Corpora-

The closure has frozen deposits estimated at more than A\$2bn (£900m) belonging to around 200,000 depositors. The administrator is trying to sell the three societies separately, but analysts say the return to investors is unlikely to be more than 50 cents on the

believed to have run into trouble after diversifying away from housing loans to lowermargin commercial lending. Rumours about the group's financial health began to surface early this year, but a run on the societies in February

stopped after the state govern-ment said there was no rea-

son for people to withdraw their funds". The state government is under intense pressure from depositors to bail out the group, and could also face legal action from depositors who thought the February statement amounted to a govern-

ment guarantee.

The government has been dogged by financial problems since narrowly winning the state election last year, and has lost popularity rapidly since announcing that losses incurred by the State Bank of Victoria would have to be met from tax revenue.

The Farrow group collapse provides the Liberal opposition with further means to attack the government's credibility, especially since the loss of marginal seats in Geelong could cost Labor the next elec-

However, the support of the big banks and the Reserve Bank appeared to have averted any threat to the Victorian financial system.

The Farrow collapse is unlikely to have repercussions outside Victoria because of the ollar. different regulations applying Farrow Corporation is in other states.

India attempts to end investment controversy

By K.K. Sharma in New Delhi

THE INDIAN cabinet has reiterated its decision to permit foreign investment and remove bureaucratic controls on industry in an attempt to stem growing dissension within the National Front gov-

The statement is seen as reinforcing the commitment by Mr V.P. Singh, the Prime Min-ister, and his cabinet to the process of liberalisation under which substantial deregulation has already taken place.

Controversy over the govern-ment's industrial policy has been raging for the past fortnight following sharp criticism of the role of foreign compa-nies by Mr Chandra Shekhar, a leading member of the ruling Janata Dal who aspires to the

Mr Shekhar has attacked the industrial policy as a "sell-out to multinationals", an allegation he repeated at a press conference at the weekend. He has called for a national debate on what he claimed was the adoption of policies dictated by the

The controversy has deep-

ened since details of a note prepared by a senior official in the prime minister's office were leaked. Among other things the note recommended that foreign companies should be permitted majority equity par-ticipation in joint ventures.

A three-page statement issued by the cabinet after a day-long discussion on the controversy on Sunday is mostly couched in general terms, but clearly endorses the changes in industrial policy.

On the issue of foreign investment - which the policy allows on an automatic basis provided equity participation is limited to 40 per cent — the statement said: "Such investment will continue to be allowed within the framework national priorities. cially for the purpose of modernisation, meeting critical gaps in technology and produc-tion and for boosting exports."

Controls on large industrial houses and existing foreign companies, however, remain, and the government has held in abeyance a decision on pro-

Britain in technology joint venture with Bombay group

By Gita Piramal in Bombay

THE British Technology Group (BTG) and Creditcapital Finance Corporation (CFC), a Bombay-based financial institution, are to enter a joint venture to establish India's first commercial technology devel-opment and transfer organisa-

This is the first time that BTG, an undertaking of the British government, has entered into a joint venture. "Today, the main focus at BTG is to reinforce our inter-national operations," said Mr Ian Harvey, BTG's chief execu-

tive. Over the last five years, BTG has opened offices in the US, placed a greater emphasis on its European business and started licensing services in the Soviet Union. A memorandum of under-

standing has already been signed which sets out the commitment of BTG and CFC to provide Indian industry with appropriate technology to make its products internationally competitive, and to assist in the longer term, the development and commercialisation of

ANC strike call gets massive Mandela urges Britain to talk with the IRA By Kleran Cooke in Dublin and Michael Holman in London

MR Nelson Mandela yesterday called on Britain and the Irish Republican Army to negotiate an end to the conflict in Northern Ireland.

"People are slaughtering each other when they could sit down and address the prob-

SOUTH African blacks stayed lems in a peaceful manner," the deputy president of the African National Council (ANC) told a news conference at Dublin Castle. away from work and schools yesterday after the African National Congress (ANC) called for a general strike in protest at faction-fighting

massive

backing

By Patti Waldmeir

took part but this could not be

of South African Trade Unions (Cosatu), which called the strike, said two-thirds of black

workers stayed away from work in Natal. Police put the

figure at 60 per cent, and said intimidation had caused many people to observe the staya-

way. The strike was also well

supported in and around Johannesburg and Pretoria.

to be followed by a week of

protests, appears to be an attempt to isolate Chief Man-gosuthu Buthelezi, head of the

Inkatha political movement, whose supporters have been fighting the ANC and Cosatu

in Natal. ANC leaders con-

demn Chief Buthelezi, leader of the KwaZulu black home-land, for collaborating with Pretoria and blame him for

inflaming violence.
The strike is aimed at put-

However, a senior ANC leader in Natal has high-

lighted the risks of such a strategy. Mr Archie Gumede, a

member of the ANC team at

recent negotiations with Pre-toria, told the Johannesburg

Daily Mail newspaper that the stayaway was "a first class

recipe for intransigence on the part of Buthelezi... and a first

class recipe for the continued

killing of people." He con-demned the policy of isolating Chief Buthelezi: "I can't see that you can achieve this in Natal where Buthelezi has a

Police and the army kept a bigh profile in Natal during the stayaway, but reported

genuine constituency."

only isolated violence.

Yesterday's action, which is

ently confirmed. The ANC-affillated Congress

Although Mr Mandela's comments angered many Conserva-tive Party MPs, they are not expected to play any signifi-cant part in his talks tomorrow in London with Mrs Margaret Thatcher, the British Prime tween rival black groups in Natal province. The 24-hour strike, which appears to have been sup-ported by a majority of blacks in most big centres, was staged by the ANC and its affiliates to highlight concern over violence in Natal which has left 4,000 people dead since 1986, Organisers said 3m Minister

British officials said last night that they saw Mr Mand-ela's views on the IRA as peripheral to the issues that Mrs Thatcher wished to raise. Mr Mandela, who was due to arrive in London last night for a two-day visit, was polite but firm when questioned further. "I am stating what I believe in. It is up to you to interpret what I say," he said. The ANC leader was in Dub-

lin to receive the freedom of the city and to thank Ireland for what he called its "unswerving support" in the battle against apartheld. But Mr Mandela, tired after an exhausting US tour, found

himself being questioned at a news conference on his atti-tude towards the IRA. Had the ANC ever had meet-

ings with the IRA? Certainly not he replied. Was he sympa-thetic to the IRA and its "armed struggle"?
Mr Mandela chose his words carefully, aware that he was stepping into a political mine-field, and no doubt recalling

repudiate ANC links with Cuba, Libya and the Palestine Liberation Organisation. "The only way of resolving this conflict and of stopping

the controversy aroused in the United States by his refusal to



Mandela: new controversy

tensions that arise between the various goups is to sit down and talk" he said. Clearly Mr Mandela saw parallels between Ireland and South Africa. What we would like to see is that the British government and the IRA should adopt prein regard to our own internal situation." cisely the line we have taken

The IRA will probably try to use Mr Mandela's words to justify the continuation of its campaign. In a speech to the Dail, the lower house of the Irish Parliament, Mr Mandela drew more parallels between the Irish experience and South Africa. "We know that the joy with

which you have received us and the respect for our dignity you have demonstrated come almost as second nature to a people who were themselves victims of colonial rule for cen-In his address, which drew

prolonged applause from all sides of the Dail and from a packed public gallery, Mr Mandela talked of the years of Irish struggle against "an unrelenting tyranny

He asked the Irish people to "stay the course" and help in the battle to rid South Africa of apartheid, thanking Mr Charles Haughey, the Irish Prime Minister, for his strong stand on sanctions. The IRA controversy aside, officials on both sides accept that it is inevitable that in Mrs Thatcher's talks with Mr Mandela there will be disagreement over two fundamental concerns: the role of violence - the issue which has hitherto made the British Prime Minis-ter keep her distance from the ANC – and the use of sanc-

Neither party is likely to give ground. Mr Mandela will defend what he calls "the armed struggle", and argue the case for economic pressure on Pretoria, as vigorously as Mrs Thatcher will condemn both

Over the years Mrs Thatcher Over the years Mrs Thatcher has flatly rejected Foreign Office suggestions that a meeting with senior ANC officials, such as its president Mr Oliver Tambo, would be helpful. Such a meeting, they have suggested, would signal to Pretoria the urgent need for talks with South Africa's leading black political party.

black political party.
On one occasion a senior
British minister (Sir Geoffrey Howe, then foreign secretary) did meet ANC leaders, and that was in Lusaka in 1986. But Downing Street stressed then, and subsequently, that Sir Geoffrey was acting as the

nity South African peace mission, and was not making contact on behalf of Her Majesty's

Government.

As far as Mrs Thatcher was concerned, the ANC's military campaign against white rule made it "a typical terrorist organisation" – the phrase she used at the 1987 Common-wealth Conference in Vancon-

But her stance and language have subsequently changed.

Last July, the Prime Mintster met Mrs Albertina Sisuh,
co-president of the United Democratic Front, the anti-apartheid alliance known to be apartheid alliance known to be closely allied with the then-banned ANC. And while Mrs. Thatcher used to call on the ANC to renounce violence, the phrase more often used now is suspend violence".

Mrs Thatcher is also more convinced than ever that eco-nomic pressures do more harm than good, increasing black unemployment and bardening white attitudes.

si Jule

15 15 T

12 88

法性 ET COLOR.

bmbia

icises

克拉萨 22.02 10.3

35 mm -- ...

Sept and

The second second

THE STATE AND

TENERS OF THE PERSON OF THE PE

Section 201

The last of the la

3 255 -----

The second second

But British officials hope that some common ground can be found. They are hoping that Mr Mandela will acknowledge the merits of Britain's university scholarship programme for about 1,000 black South Africans, and the value of the one and other frontline states.

Back in South Africa he is now a mere mortal

A daunting agenda awaits the once messianic ANC leader, writes Patti Waldmeir

THE US, Ireland, and even cynical Britain may still be inclined to worship Mr Nelson Mandela, deputy president of the African National Congress (ANC) and apart-

ting pressure on Pretoria to end the Natal violence – including disbanding the Kwa-Zulu police force, which Chief Buthelezi heads, as well as the homeland itself. Community heid's most celebrated victim. But for South Africans, hero worship was a luxury abandoned soon after Mr Mandela left prison on February 11. His martyred past commands respect, and the virtue of his cause is undeniable; groups accuse the KwaZulu police of favouring Inkatha in the fighting. but what matters now is the ANC leader's skill as a politician.

As soon as Mr Mandela returns in a fortnight from his six-week tour of western and African capitals - his self-image bolstered by popular adula-tion, and the coffers of the ANC filled with donations - that skill will again be put to the test.

Over the next months, Mr Mandela

must unite his colleagues in the ANC and the radical youth - behind a decision to abandon the armed struggle, without which constitutional negotiations cannot begin. He must seek an economic policy which will at once ssure business and begin to meet black aspirations. And he must look for creative constitutional solutions to South Africa's racial problems.

That is an agenda to tax the reputa-tion of even this vaunted hero. But if there is to be a speedy and peaceful conclusion to South Africa's crisis, Mr

Mandela will have to pull it off, in partnership with Mr F W de Klerk, the president. Without Mr Mandela, the prospects for creating a multi-racial and emocratic political system appear

Already, in the five months since the ANC leader's 27-year incarceration ended, he has taken steps towards that end: steadily nudging – and where nec-essary, dragging – the ANC towards formal negotiations with Pretoria on a new constitution. As some ANC leaders have become

intoxicated with the notion of an immi-nent seizure of power — their hopes and expectations raised by concessions from the Government, such as the unban-ning of the ANC and the release of political prisoners - Mr Mandela has spoken the language of pragmatism.

Last April for example, when he
addressed the South African Youth

congress, a radical youth organisation which has little patience with moderates, Mr Mandela pointedly changed the wording of a speech written for him by ANC officials. The speech referred to the figure of power. Mr Mandela the "transfer of power". Mr Mandela spoke instead of power-sharing. And the ANC leader has repeatedly

raised the prospect of guarantees for white rights under a majority govern-ment – likely to be the most contentions issue in the political negotiations.

ANC officials look embarrassed or annoyed when asked about Mr Mand-ela's reference, immediately after leaving jail, to "structural guarantees for

The ANC's official position is that linguistic, religious and cultural rights will be protected on a non-racial basis. But Mr Mandela is steadily modifying this position through his public pronouncements; when talks begin, other ANC leaders may find it difficult to disavow these statements and stick to their own harder line.

But if Mr Mandela has largely managed to maintain his authority over the ANC leadership, his status in the wider black community remains in question. For though he uses every opportunity to urge black students to return to school – indeed, this was the theme of his first public rally in Soweto, 48 hours after leaving prison – the schools boy-cott continues.

Is plea to warring factions in Natal to close down the region's "death factories" was also ignored. The ANC's current policy of isolating Chief Mangosuthu Buthelezi, the Zulu leader whose supporters are fighting ANC supporters in Natal, could easily inflame tensions further. Mr Mandela himself has exacerbated the situation by criticising the ultra-sensi-

tive Chief Buthelezi in public for the first time; previously he had gone to great lengths to avoid provoking him. The recent furors in western capitals over the ANC leader's outspoken defence of violence highlights that his is, after all, a near-impossible task. Talk of armed struggle frightens South African whites; yet for Mr Mandela to abandon armed rhetoric without further concessions from Pretoria would alienate radical blacks, especially the young.

Economic policy poses similar prob-lems. Mr Mandela has recently tried to calm businessmen's fears about nation-alisation, telling the US Congress last week that the ANC held "no ideological position that dictates that it must adopt a policy of nationalisation". But he ikes clear that the state will play a more active role in a post-apartheld economy.

Business is welcome to interpret these comments as guaranteeing the future of capitalism; while the radical youth can see them as promising that the state will dominate.

For the moment, Mr Mandela can carry on trying to be all things to all men. But when it comes to the crunch in the constitutional negotiations due to begin soon, this will become impossi-ble. Only then will South Africa know whether the essentially moderate Mr-Mandela can carry the day.



Jerusalem's Mayor, Mr Teddy Kollek, right, conducting official business yesterday from a

people on Sunday. It was the third explosion in West Jerusalem in just over a month. "I want pavement café in the city's Arab district to to set a personal example so that people will calm Jewish fears about security following a spate of bombings. A bomb in the heart of Jewish West Jerusalem slightly injured three walled Old City's Arab souk.

Taiwan parties agree on need for presidential poll

TAIWAN'S ruling Nationalist
Party and its main opposition
both expressed support yesterday for introducing popular

munist forces. They were subsequently frozen in office to
support the Nationalist claim
to still be the legitimate govpresidential elections as a key step toward democratic change, AP reports from

Talpel. Delegates from the parties were meeting at an unprece-dented National Affairs Conference to seek agreement on a new political system, to replace one that has guaranteed Nationalist rule for the past

President Lee Teng-hui called the meeting after stu-dent demonstrations in Merch protesting at his election to a six-year term by an electoral college dominated by elderly Nationalist Party members.

Most members of the electoral college last ran in elec-tions on the Chinese mainland shortly before they fled to Taiwan in 1949 with the rest of the Nationalist government, after it lost a civil war to Com-

sequently frozen in office to support the Nationalist claim to still be the legitimate government of all China. The opposition Democratic Progressive Party has long

argued that direct presidential elections are necessary to give political power to the native Taiwanese, who account for 85 per cent of the island's 20m people. Cheng Hsin-hslung, Nation-

alist Party deputy secretary general, said the party dis-agreed with the opposition pro-posal on presidential elections only over methods.

The opposition party wants to abolish the electoral college and have a direct presidential election before Lee's term ends in 1997. The Nationalists want to transform the electoral college into a symbolic institution that would reflect the popular vote and would reserve a few seats for deputies purportedly representing mainland China.

UN resumes talks on **Gulf** peace

THE United Nations embarked on a new effort to secure a lasting peace between Iran and Iraq yesterday, encouraged by signs of improving relations between the former Gulf War enemies, Reater reports from

The UN Secretary-General. Mr Javier Perez de Cuellar, was meeting the Iranian For-eign Minister, Mr Ali Akbar Velayati, last night and the Iraqi Foreign Minister, Mr Tareq Aziz, today. "I am hopeful in the sense

that the atmosphere is much better," Mr Pérez de Cuellar He said an exchange of letters between the presidents of the Gulf neighbours discussing a possible summit had helped, as had Iraqi and other international aid to fran after the earthquake there on June 21. "I think the exchange of letters has created a much bet-ter atmosphere," he said.

Jakarta and Peking seek to end diplomatic freeze

By Robin Pauley, Asia Editor CHINA and Indonesia resumed

talks in Peking yesterday aimed at normalising relations, which were frozen 23 years ago. Mr Ali Alatas, the Indone-

sian Foreign Minister, and his Chinese counterpart, Qian Qichen, met for the second time in two days to discuss their diplomatic ties, broken off after Indonesia accused China of backing a coup attempt by Communist rebeis in 1967.

There was rising hope that

Mr Alatas's four-day visit could yield a timetable for restoring relations following Qian's statement on Sunday that renewed ties would raise Peking's relations with South-East Asian nations to a new stage of development.

Progress began when President Suharto of Indonesia raised the subject with Chinese officials at the funeral of Emperor Hirohito of Japan in Tokyo last year.
After the two nations nor-

malise ties, Singapore is expec-ted to follow suit, said diplo-mats in Peking. China has

been anxious to restore ties for some years and has denied any involvement in the 1967 events. But Indonesia has refused to contemplate a warming of rela-

tions until recently.

Two-way trade between the countries was \$304m (£467m) in 1989. China exported \$222.8m in goods to Indonesia. Imports from Indonesia totalled

An important discussion will be the future of Cambodia which is taking on a new urgency as reports mount of further Khmer Rouge guerrilla advances nearer to the capital of Phnom Penh where the gov-ernment of Hun Sen is looking

increasingly fragile.
China has been the most important supporter of the Khmer Rouge but, anxious to improve its poor international reputation on this issue, Peking has been looking for a way to modify its policy with-out losing face. Indonesia has taken the lead in the search for a peaceful settlement. Mr Alawas co-chairman of the Paris conference which has been stalled since last August.

the well-worn saga of the Indochinese refu-gees and nowhere is it being felt more than in Indonesia where the authorities find themselves reluctant hosts to a sudden influx of Cambodian

sinden influx of Cambodian boat people.
Throughout all the years of war in their country, Cambodian refugees have chosen to make their escape overland into Thailand. Now, however, they are beginning to follow the example set by their Vietnamese neighbours and are taking to the seas.

taking to the seas.

Since the beginning of the year more than 1,700 Cambodian boat people have washed up on Indonesian shores. They leave Cambodia from the southern port of Khompong Som with the intention, they say, of getting to Australia.

It is not a realistic goal.

Given the more than 3,000 miles of rough seas and their small and ill-equipped boats. most of them never make it and end-up instead at Indonesia's refugee camp on the island of Galang, south of Sing-

Claire Bolderson reports on a sudden influx of Cambodian boat people and its regional implications apore. About 65 per cent of the Cambodians at Galang are young men who say they left their country because of their fear of being drafted into the army to fight Phnom Penh's war with the resistance.

They tell visiting journalists about what they believe is the continuing Vietnamese oppression of the Cambodian people and they talk about their fears and they talk about their fears that, one day, the Khmer Rouge will again take power. Ironically, the pressure on Indonesia from Cambodian boat people comes just as the pressure on Hong Kong from Vietnamese boat people has started to ease dramatically. Arrivals in Hong Kong are 80 per cent down on last year. Only a few thousand have so far come to the colony — and far come to the colony – and contrary to last year's pattern they are mainly from South Vietnam – whereas 34,000 turned up during 1989.

The Cambodians, as a new phenomenon in the region, are

not covered by the Comprehen-sive Plan of Action - the

United Nations agreement

under which boat people are

screened and divided into two categories; economic migrants and political refugees, of which only the latter are entitled to resettlement in another country. But the Cambodian boat peo-

Indonesia concerned as Cambodians take to sea

ple, known simply at Galang as "displaced persons", insist that they are genuine refugees and they talk of being driven out of their country by what they describe in perfect English as "the prolonged war situation" there. The indonesians are not con-vinced. Mr Ali Alatas, the Indo-nesian Foreign Minister, and one of the leading figures in

recent attempts to end the con-flict in Cambodia, says he believes the Cambodian's moti-vation for setting sail is purely The belief is apparently shared by Mr Thorvald Stolten-berg, the United Nations High

Commissioner for Refugees (UNHCR), who said during a recent visit to Jakarta that he thought the Cambodians were simply seeking a better stan-dard of living abroad. Mr Stoltenberg also said that

the UNHCR would like to see more money spent on develop-ment projects in both Vietnam and Cambodia to tackle the root problems of poverty and so discourage people from leav-

Despite their misgivings the indonesians have given an assurance that they will continue to take in all boat people, both Cambodian and Vietnam-ese, who are in difficulty and have nowhere else to go.
But they have also said that if the Cambodians want to go on to Australia and are capable of doing so, they won't be stopped. As Mr Alatas recently said: "How can we say please come to Galang, please stay it's

hat attitude has done much to stir the often troubled waters of Jakarta's relations with Canberra. In the past six months, two boat loads of Cambodians have managed to limp through the Indonesian archipelago and reach north-western Australia. Reports that they were helped on their way by the

Indonesian Navy, which is said to have sold the boat people food and fuel and in one case, to have towed them back out to sea, have sparked a flurry of

diplomatic activity between Jakarta and Canberra.

Australia has made it clear that it has no intention of becoming a country of first asylum - a role played up until now by members of the Association of South Fact. Association of South-East Asian Nations and Hong Kong. Instead, it wants to go on selecting boat people for resettlement from among those screened as refugees in the region's existing camps.
Urgent efforts have therefore been made through both the Australian embassy in Jakarta and a visit to Indonesia by Dr

Neil Blewett, the Australian Minister for Trade Negotia-tions, to try to persuade the Indonesian authorities not to allow Cambodians to continue to Australia.
But the Indonesians see

things differently. Their camp at Galang which was built to hold 5,000 people, now holds more than 17,000. Last month

alone, there were 3,000 new arrivals and with poor sanitation and little available fresh water on the island, Galang is chronically overcrowded. Most of the bost people there are Vietnamese whose num-bers at Galang have been steadily rising because of

steadily rising because of increasing departures from southern Vietnam and the adoption in Malaysia of a policy of "pushoffs" - giving boat people food and water and pushing them back out to sea. The Indonesian government has made it clear that it will not do the same. It has also said it wants a screening syssaid it wants a screening sys-tem similar to the one which covers the Vietnamese to be introduced for Cambodians. Indonesian officials have in addition stated that agreement must be reached urgently on what to do with all those what to do with all those classed as economic migrants and they have made it clear that, particularly with the new tide of Cambodians taking to boats, they feel the international community should now do more to help Indonesia shoulder the burden. shoulder the burden.

Est Alleria BUY YOUR I WATCHES

Lipsing to Valches

The World We for Show Court : 3

er see the term

Pace of S&L shutdowns and sales rises sharply

By Peter Riddell, US Editor

d was in the land

m against the state of the conference of the con

Manual Control of the Control of the

and, increasing

British of the control of the contro

CITY TO SEE

Ortal

'aldmeir

eden in publication of the second sec

the same makes when the con-

Selected Street

Approach to the same of the sa

HE SEE SEE SEE

S SS FLETTING CONTROL SOLUTION CONTROL S

Mat. Mr Line

Colon Teathers

ALL SOLE CELL

AND THE STATE OF T

resuma

s on

f peace

THE FEDERAL Government sold or shut down about 155 failed US savings and loans institutions in the April-to-June quarter, the largest liquidation in financial history.

This exceeded the target of 141 for the quarter set by the Resolution Trust Corporation, which handles the rescue, and is a big jump on the sale or closure of just over 50 S&Ls in the previous seven months, since the operation started. There will now be between 50 and 75 such sales or dispos-

als a quarter. However, the costs incurred. about \$45bn in cash in the sec-

US managers'

economic index

THE National Association of

Purchasing Management's monthly index of economic activity in the US rose to 51.1

per cent in June from 50.7 per

cent in May, Reuter reports, A reading below 50 indicates

the US economy generally is declining, while a reading above 50 suggests expansion, according to the NAPM.

It said the manufacturing

economy in June registered a

third consecutive monthly

increase, allowing the second quarter to close on a high note. The production index rose

for the fifth consecutive

month, although at a lower rate than in May. New orders

also advanced for the fifth

slower in June, the first slow-down in that sector in 14

The NAPM said this reflected increased demand and lower inventory levels.

New export orders increas

at a more robust rate than in May, while imports declined for a second month. Invento-

ries fell for the 19th consecu-

tive month, although the rate of decline was the lowest since

Supplier deliveries were

rises in June

ond quarter, have substantially increased federal borrowing, complicating current budget talks between the Administra-

tion and Congress.

Moreover, while about 207
S&Ls with assets of roughly \$50bn have been sold or closed since the rescue began, the continuing high failure rate has meant the authorities are still running 257 failed institutions, only five fewer than when the rescue began last August Losses on disposals so far are estimated at \$25bm.

The disposals under Operation Cleansweep are in many cases heavily qualified, as the purchasers have often just taken over branch networks and deposits, leaving the Government with a large amount of doubtful assets, such as vacant commercial properties

Many of the deals include terms which allow the buyers to return the assets to the Gov-ernment if problems like fraud are found.

The net result is that, while

Metalworker strikes test

By Gary Mead in Buenos Aires

ARGENTINA'S most powerful trade union, the Union Obrera Metalurgica (UOM), has launched a week-long campaign of stoppages in support of a 37 per cent wage rise demand, 20 percentage points above an offer from the indus-

try's employers.
The metalworkers' strikes, the first in four years, come at a particularly sensitive moment in President Carlos Menem's attempts to control

President Menem has won short-term economic stability in the last three months by, in part, forcing state employed workers to accept wage increases beneath inflation.

trades unions such as the UOM, with more than 300,000 members, are in no mood for compromise. Strikes are also planned for this week by other private sector workers, such as bank employees and bus driv-

The Government has set itself an inflation target of 2 per cent a month between now and year's end. That target, agreed with the international

the federal government has fulfilled its first priority of safeguarding depositors, it is in the process of becoming the owner of the largest bad property portiolio in the world.

Menem's inflation policy

inflation. May's rate was 15 per cent, a figure unlikely to be improved on in June or July.

However, private sector

Monetary Fund, unlocked in May a stand-by credit worth \$920m- (£534.88m) from the Ministers fear that if the

UOM wrings wage concessions these will be passed on to the consumer and will trigger renewed general demand for At the same time the current

recession means that almost a quarter of the 12m working population is officially unemployed or working short hours. Such widespread unemploy-ment has prevented large industrial protests during the first year of the Menem admin-istration, but the UOM's decision to turn to strikes could mark a turning point.

 Argentina has started circulating a new 500,000 austral bank note, worth about £58 at current exchange rates. The new note is coloured black and blue, and is actually an overprinted version of the old 500,000 peso note. The Government says the

new bill will soon be superseded by a newly designed and printed austral note for the same value. Two years ago the highest value note was 100 aus-

UN-backed group to help tackle

By Robert Graham

Peru debt

A WORKING group sponsored by the United Nations has been set up to suggest ways for debt-ridden Peru to normalise relations with the international financial com-

The agreement follows a meeting in New York on Fri-day under the aegis of Mr Javier Pérez de Cuellar, the UN secretary-general, attended by Mr Alberto Fujimori, the Peruvian president-elect.

Also in attendance were Mr

Michel Camdessus, managing director of the International Monetary Fund, Mr Barber Conable, president of the World Bank, and Mr Enrique Iglesias, head of the Inter-American Development Bank. Peru has accumulated arrears of \$2bn (£1.16bn) to international financial institutions on a total foreign debt of

\$20bn. Of this, more than \$800m is owed to the IMF, which is close to expelling Mr Fujimori, who assumes office on July 28, is believed to be anxious to restore relations with the international commu-

nity as soon as practicable. This, however, will only be possible via a bridging loan of at least \$2bn from friendly countries. One of the principal tasks of the four-man working group is to establish the out-lines of a stabilisation programme acceptable to both Mr Fujimori and Peru's creditors.

The position of Japan, from where the 51-year-old future president's parents emigrated, will be vital. Mr Fujimori is currently in

Tokyo to try to squeeze long-term aid and debt forgiveness commitments from the Japanese Government.

Aylwin gets tougher at the top Leslie Crawford on the Chile President's fighting first four months

PRESIDENT Patricio Ayl-win's first four months in office home hear in office have been more of a trial by fire than a honeymoon. The restoration of democracy in Chile left him with a former dictator still at the helm of the army, a painful human rights legacy and a host of social problems bottled

up by the former regime. The new civilian government has also had to establish its credentials with a sceptical business class, which has proved more nervous than the international financial commu-nity. Indeed, so far, Mr Alejandro Foxley, the Finance Minis-ter, in London this week on his first European tour, has had a relatively smooth ride from the bankers.

One recent poll in Chile showed almost 80 per cent rated Mr Aylwin's presidency between good and excellent The president earned the high-est marks for his efforts at promoting national reconciliation between civilians and the mili-tary, his decision to set up a national commission to investigate past human rights abuses and the recent raise in the minimum wage.

His weak points were seen as pardons granted to some politi-cal prisoners and common criminals, a perceived fear of the armed forces, and insuffi-cient action against an upsurge in terrorist attacks.

Critics have been confounded who believed that the benign, 71-year-old Christian Democrat President Aylwin would be unable to control the left flank of his 13-party coali-tion, or assert authority over General Augusto Pinochet, who was forced to surrender power on March 11. The coalition has remained solid and the president appears to grow in stature with the general's every challenge. The military's bitter human

rights legacy - recently high-



Aylwin: growing in stature with each challenge

lighted by the discovery of mass graves in northern Chile - remains the most explosive issue for the new government. President Aylwin hopes to walk this political tightrope by providing some moral redress to families of the victims, while limiting the scope of human rights trials.

On the economic front Mr Foxley has more than proved his commitment to conservative macro-economic management. He has won the approval of Congress to raise taxes to cover an unforeseen budget deficit and to allow room for more spending on health, hous-

ing and education.

The tax reform bill did not have an easy ride though Con-gress, and Mr Foxley had to use all his powers of persuasion to convince the conserva-tive opposition that the extra cash would be prudently managed. He expects to end the year with a small surplus and is prepared to save a greater proportion of this if the independent central bank's monetary policies fail to bring down inflation fast enough.

By contrast, after almost five months of negotiations, the unions and employers are as far apart as ever on what ts of the military's draconian labour code need to be changed. The Confederation of Chilean Industry and Commerce wants to leave things as they stand, arguing that their freedom to hire and fire, and the restrictions on strikes, were a fundamental pillar of

Chile's economic recovery. Chile's main union federa-tion, the Central Unica de Trabajadores (CUT), is pushing for greater job protection and industry-wide collective bar-gaining, which is currently ille-gal. The government would like a package of labour reforms to go to Congress with the blessing of both sides, but it is running out of patience.

Debt negotiations are also looming – one of the principal reasons behind Mr Foxley's visit to London. Chile faces a bunching of capital repay-

commercial bank debt in the next three years and it will not be able to meet all its obligations without putting an intolerable strain on its balance of

payments. Mr Eduardo Aninat, the chief debt negotiator, does not want to negotiate on a year-by-year basis. Instead, he is seeking a comprehensive finan-cial package that will allow Chile to plan its long-term development as well as retiming and spreading out the

amortisation schedule.

A crucial element in this deal, according to Mr Aninat, is to get "real fresh money" from the banks as a reward for its impeccable servicing record and sound economic management. Negotiations are due to start this month.

It is the central bank, granted independence by the departing military to put it beyond political control, rather than Mr Foxley's economic team, that has been the main target of businessmen's wrath. Chile's economy grew by an unsustainable 10 per cent in 1989, the product of an artifi-cialry-engineered boom designed to favour the conservative candidate, Mr Hernan Buchi, in the December elections. Early this year, the cen-tral bank jacked up interest rates sharply to rein in activ-

ity.

This succeeded in lowering inflation from an annualised rate of more than 30 per cent in the final three months of the military regime to about 25 per cent. But the monetary squeeze gave Chile's booming economy a rude shock. The government hopes GDP will grow by 4.5 per cent this year, but private economists believe 3 per cent will be the upper limit. The central bank denies it overreacted to the problem, but it has begun to loosen the reins on interest rates.

Colombia criticises **US** drug policy

THE 'US, while praising Colombia's battle against drug traffickers, has given the country little concrete help a newspaper report quoted President Virgilio Barco as saving AP

reports from Bogota.

"The United States has supported us vocally," Mr Barco was quoted in Sunday editions of El Tiempo as saying. "They have said that we are making an important effort, but not much substantial help has

The president did not rule out however, the possibility that the US might still provide Colombia with effective aid to defeat the country's cocaine cartels. The Colombian Government intensified a campaign against drug traffickers after they assassinated a presiden-tial candidate, last August.

Indian chief seeks aid for lobby group

By Christina Lamb in Rio de Janeiro

several leading multinationals have been playing host to an gists, and contact with whites unlikely visitor over the last had brought in new diseases fortnight. Chief Aritana of the such as chicken pox to which Yawalapiti tribe has removed his paint and feathers in favour of a "Save the Amazo-nian jungle" T-shirt to ask for backing to set up an associa-tion of Indian tribes from many of the companies most responsible for destroying the

rainforest. One of the senior leaders of the 18 tribes of the Xingu National Park, Chief Aritana explains, "it is time for Indians to create our own lobby group rather than always letting

whites speak for us."
His main issue of concern is health. Although the creation of the national park in 1961 was the most ambitious attempt to protect the traditional lifestyle of Brazil's indig-

BUY YOUR ROLEX DIRECT FROM WATCHES OF SWITZERLAND

THE BRAZILIAN offices of enous population, there has been a near-invasion by ecolo-

the Indians have no resistance. Chief Aritana hopes that companies such as Siemens and BP will provide funds to enable Indians to set up and be trained to run clinics throughout the Amazon area.

He points out that seriously ill Indians now have to be flown several thousand miles to Brasilia or São Paulo - a traumatic experience and one which is also very costly for FUNAL the state agency for protecting indigenous peoples. Chief Aritana's "People of

the Palms" tribe have previously received help from Mer-cedes Benz in the form of trucks, a solar-powered generator from BP and communications equipment from Philips.

THE LEGAL PROTECTION GROUP LIMITED. HELPING YOU TO STAND UP FOR YOUR RIGHTS.

The goods were definitely faulty. They said they weren't. I said they were. It went on for months. I stood to lose a small fortune.

Then they said they would sue us.

At this point, if you're not insured, you are very vulnerable,

Solicitors can charge fees of up to £200 per hour for their services and a barrister or leading QC up to £2,000 per day.

And whether you win or lose you may well have to pay your own costs.

Complete protection from £25* a month. Now you can insure yourself against all the costs of almost any dispute with a new 'all-risks' Commercial Legal Fees Insurance policy from The Legal Protection Group.

For as little as £25* a month you can protect your business against the expenses

*Premiums are assessed on annual turnover and apply on turnover up to GM per annual

and costs of contentious civil and criminal matters up to £100,000 for each claim.

Accountancy and loss assessors' fees are also covered where relevant to the action in question.

And once the other side know you're covered, it's amazing how quickly disputes

24 hours a day, free legal helpline. Staffed by solicitors and other specialists, the helpline gives you access to on-the-spot advice on any aspect of the law.

You can also protect your family against the expenses of a legal dispute with our Family Legal Benefits Insurance. Both policies give you a chance to fight for your rights on an

equal footing.	PELECAL
To: The Legal Protection Group Limited, Marshall's Court, Marshall's Road, Sutton, Surrey SM1 4DU. Please send me details of: Commercial Legal Fees Insura	GROUP Limited noe Family Legal Benefits Insurance
Name:	
Company (if applicable)	
Address:	
	el. No:
If you require a business policy p Under Qm□or over Qm□(p	lease state whether your turnover is;
	0800 282 756 ^{FYS}

A member of The Sun Alliance Insurance Group

Roles watches combine durability and high performance with classic style. The distinctive shape of the Oyster case is carved from a solid block of gold, platinum or stainless steel. The movement inside is a tribute to the watchmaker's craft. You can buy one of the world's finest watches now direct from Watches of Switzerland by using our unique INTEREST FREE credit scheme. (Written quotations on request.) We might even take your old watch in Part-Exchange so come and talk it over. Call in for a catalogue today. There will never be a better time to buy a Rolex. Watchesof Switzerland Ital The World's Premier Watch Specialists. sales, service & repairs Exclusive Rolex Showroom: 5 New Bond Street, London, W1, Tel. 071 493 2716 16 New Bond St., W1; The Swins Centre, Leicester Sq., W1; 279 Regent St., W1; 500 Oxford St., Marbie Arche i Old Bood St., W1; 69 augton Rd., Kolghebrudge, SW3; 22 Royal Exchange. Threadmends St., ECN; 62-63 Fencharch St., ECN; Brent Cross Shapping Centre, NW4. Princes S., Elimburgh. 34 Argyl Arcade, Clasgow, 25 Cathedral Walk, S. David S. Cathe Cross Stapping Colors. Princes S., Elimburgh. 34 Argyl Arcade, Clasgow, 25 Cathedral Walk, S. David S. Cathedra WATCHES OF SWITZERLAND LID, 64 FRIARS SQUARE, AYLESURY HP20 2TE

Alan Pike weighs up the problems of converting Europe's largest civilian employer into a business

R KENNETH Clarke, Health Secretary, has taken the Govern-ment's health reforms from manifesto to legislation. It is now up to the hospital and health authority managers to deliver them to patients.

The second task is more

demanding than the first. Restructuring the National Health Service (NHS), Europe's largest civilian employer, by April next year is a manage-ment challenge with few

All other NHS reorganisations since the service was launched in 1948 by Mr Aneu-rin Bevan, the Labour politi-cian, have been largely con-fined to its bureaucratic structure. This one is designed to change its culture.

Until the the mid-1980s NHS managers were essentially administrators of decisions made in committee. The changes were made to give the service a conventional management structure, with each region, district, hospital and other unit headed by a general manager whose job was to run the business.

From next April, these maners have to think in terms of

the NHS being a business.

The concept of the internal market on which the reforms are based can invite over-simplistic comparisons with industry - the NHS will be in a mar-





End of an era: Kenneth Clarke, for the Conservatives, prepares to introduce reforms, and Aneurin Bevan, Labour's reformer, on the first day of the National Health Service in 1948 with its first patient, 13-year-old Sylvia Beckingham.

ket competing mainly with itself But essential commercial disciplines and priorities will be introduced into the finance and management of the ser-vice. This is a fundamental change in an organisation which consumes around £22bn a year in England alone, but has until now been unable to put a cost on almost any single

course of treatment. The reforms will separate the purchasing of health care from its supply. Contracts or service agreements between the purchasers – health

authorities and some family doctors - and the supplier hos-pitals are the chosen instrument for achieving this.

Ministers accept that, for the first year, these agreements will do no more than reflect existing patterns of service. Few districts or hospitals will be well-enough prepared to start trying to change patient flows next April. The question of how smoothly the service gets even to this first camp on the unbeaten path to reform and how soon after year one the contracts system generates

the genuine, efficiency-enhancing competition that the Government is seeking - rests on a number of unknown factors. A minority of hospitals which have been involved with

the Department of Health's the Department of Health's resource management initiative from its early days are leading the field in setting up information systems. Some authorities, like the big Greater Glasgow Health Board, are introducing computer-becad billing. ased billing.
Other hospitals and authori-

ties, however, are not so far

forward. Some are having difficulty attracting one of the new system's most essential resources - accountants and finance managers - on NHS

mr Duncan Nichol, NHS chief executive, has spent the past two months touring the country, trying to raise the level of readiness among his senior managers. This will be followed this month by the launch of what is probably Britain's biggest single management consultancy exercise.

The scheme, costing £5m, is The scheme costing £5m, is

intended to improve the com-munication skills of the managers running all 548 hospitals and other units in the service. The reforms will undoubt-The reforms will undoubtedly enhance the status and power of managers within the NHS. They will also encourage medical staff to think in more overtly managerial terms — every time a doctor provides treatment, he or she also allocates resources which will in future have a price on them.

There will be a scramble between now and April to bring all health authorities, hospitals and other units to a fairly crude starting point for next year's reforms. But some management consultants currently working in the NHS pre-

rently working in the NHS pre-dict that it will take the rest of the 1990s for the service to completely settle down after this managerial revolution.

The first hids by hospitals

to become self-governing trusts under the Government's health reforms were submitted yesterday, within an hour of Mr Ken-neth Clarke calling for applica-

Three Mersey Region hospitals took advantage of a pre-ar-ranged visit to Liverpool by Mr Stephen Dorrell, a junior health minister, to become the first to apply for the new status. Mr Clarke said the three were likely to be followed by up to 80 "first wave" applicants in the next few wave". in the next few weeks.



Executive suspected dealing ring

Mr Gary Klesch, the chairman of Quadrex, the US-owned financial company, yesterday told the High Court that he

told the High Court that he
"suspected" insider-dealing
when British &
Commonwealth Holdings was
hidding for Mercantile House,
the financial services group.
Mr Klesch's suspicions had
been aroused when B&C raised
its stake in Mercantile to 12.7 per cent. The move had come three days after Mr Klesch had told Mercantile's

chairman that Quadrex was also interested in a deal with the financial services group. "My suspicion was that Mercantile and B & C were in bed together." Mr Klesch

He was being cross-examined in the complex legal action arising from Quadrex' failure to complete the £280m purchase of M.W. Marshall, the money broker, and William Street, the US securities dealer, from B &

The evidence centred on negotiations in 1987, when Mercantile, parent company of Marshall and Street.

Business 'fails' on environment

British business is failing to influence environmental legislation and few companies have bothered to lobby the Government over the forthcoming white paper on the environment according to a survey published

yesterday.
Only one in five companies have briefed the Department of Environment team which is compiling the white paper says the report by Environmental Policy Consultants.

"This is astonishing," said Mr Adrian Wilkes, managing director of EPC. "They are missing an opportunity to influence the Government's environmental blueprint for

The survey of 137 companies also showed that only 7 per cent had briefed the UK group which is working out a system of environmental labelling and 8 per cent had briefed the civil servants working on recycling schemes. In addition, one in three companies failed to monitor EC policy.

Lloyd's faces 'extinction'

Lloyd's of London, the insurance market, faces extinction unless it can resolve the problem of open years, according to Chatset, publishers of the Lloyd's League Tables. Open years are those in which the accounts of underwriting syndicates cannot be clo

because no estimate of net profit or loss is possible Commenting on the Lloyd's results for 1987, announced last week, Chatset says: "The long-tail business written between 1940 and 1970 is between 1940 and 1970 is haunting a generation of Lloyd's members, few of whom ever enjoyed the profits. Unless it is solved it could spell the end of Lloyd's. Anyone joining Lloyd's before the old liability problem has been solved needs his head examined."

The long-tail business referred to, which is the reason for the inability of syndicates to close accounts, was mainly the insurance and

was mainly the insurance and reinsurance of asbestos and pollution risks in the US which produced heavy and continuing losses throughout the 1980s.

Visa introduces new system

Visa International, the credit card organisation, has introduced new systems to make the Visa card more acceptable by hotels, airlines and car rental companies.

The organisation predicted the changes would produce an increase of \$450m in an increase of \$450m in revenue over the next three years for its member issuers in Europe, Africa and the Middle East.

Visa said that the changes included new authorisation systems and operating procedures to streamline the card's use in the travel and entertainment industries.
Visa's latest campaign is an attempt to capture more of the international plastic

dominated by issuers such as

card market currently

American Express.

new high

THE UK consumer is still-borrowing and spending heavily despite the prolonged pressure of high interest rates, official figures indicated. yesterday. The Central Statistical

Borrowing at

Office announced that the total amount of new credit advanced to consumers in May, at £3.9bn, was higher than in the previous three months. The increase, which was the biggest for two years was about half a billion was about ann a same pounds larger than the markets had been expecting, but sterling and equities, showed little reaction to the

On the spending side, figures also suggested there was plenty of consumer demand and high interest rates had failed to squeeze demand out of the economy.

it had revised upwards its provisional estimate for retail sales volume from 1.2 per cent in May to a final 1.4 per cent. The markets had been expecting no change to the seasonally-adjusted figures. Lex, Page 18

Pay rise at Rolls Royce

More than 3,500 workers at the Derbyshire plant of Rolls-Royce, the aerospace group, have won pay rises of: 5.2 per cent, over and above the annual settlement to compensate for inflation, as part of a working time deal The rises are being paid to

compensate the group of workers, who represent about half the manual workforce at the site, for receiving no reduction in their working hours even though the unions and company have agreed a shorter working week deal.

The agreement at one of Britain's largest engineering sites demonstrates how some companies are holding out successfully against reductions for groups of workers already working the 37 hour weeks.

Girobank sale confirmed

Mr Nicholas Ridley, the Trade and Industry Secretary, confirmed the sale by the Post Office of the Girobank for £72.9m plus the repayment of a £39m Ioan. The total £111.9m received by the Post Office compares with the net value of the bank of £155.5m at the end of its latest financial year in March. The sale was attacked by

the opposition Labour Party as a further act of incompetence in the programme.

Mr Doug Henderson, a Labour trade and industry spokesman, said: "Coming straight after the further disclosures about the sale of Rover to British Aerospace, this is another example of DTI incompetence. The Government's ideological obsessions have yet again blinded them."

Overhaul for sterling markets

The Bank of England's new Central Moneymarkets-Office (CMO) which will bring electronic settlement to the

sterling money markets, will open on October 1. The Bank has been working on the CMO for over a year. But the need for it was graphically illustrated in May when a messenger was robbed of money market instruments

The new office will replace the physical delivery of certificates paper with computerised book entry for dealings in instruments such as bills, certificates of deposit and commercial paper.

Sky TV will 'break even'

Mr Rupert Murdock, executive for kupert Murdoca, executive chairman of Sky Television, forecast yesterday that the satellite venture could break even by the end of next year or early in 1992.

The four channel television system, Mr Murdoch conceded

Madicellia : Feed

MIN TERCEUVIE E

And this lime-turns

pulliat to difficult

John jupatitance 40

the 1902, the tock

e Medizion-inege 3

defice interior a i-

his the standard t

eal-leyer Tust-Die

a vill bieseine tipe

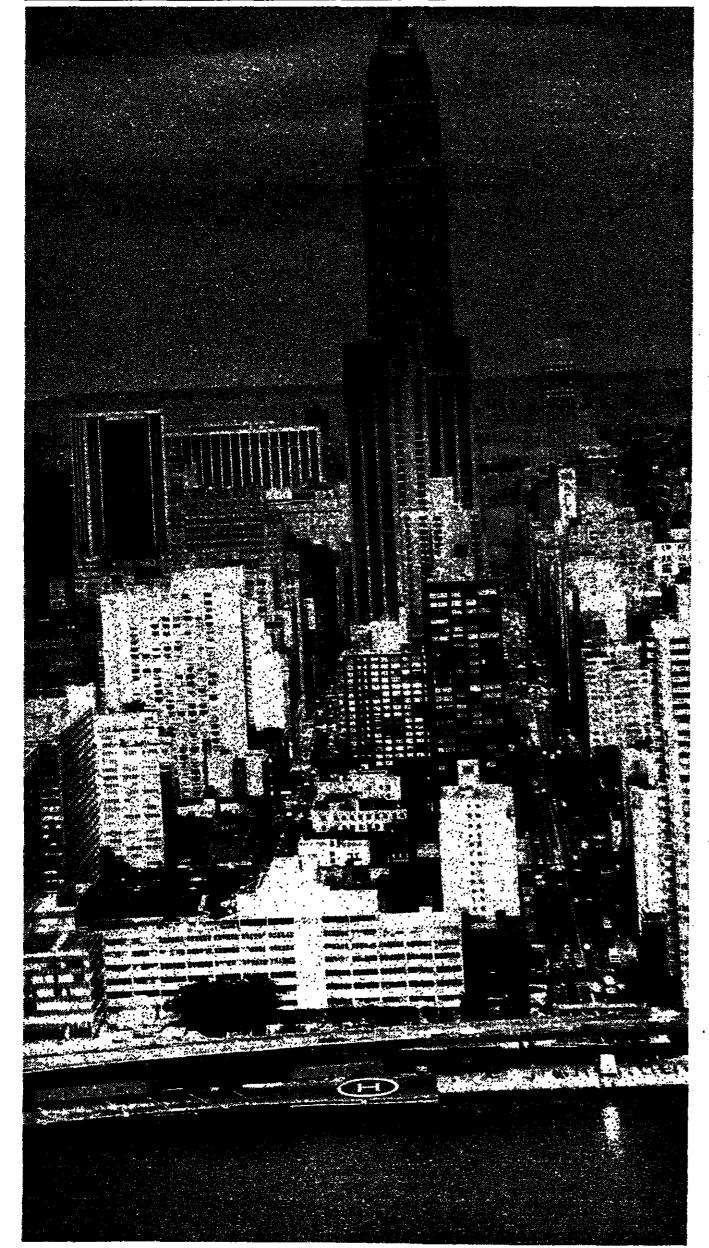
andly lish:

had already cost £250m and might need a further £100m

"I would hope it might be more like £70m," the Sky chairman said before a presentation outlining Sky Presentation outline Television's achieve years after he first publicly announced the proje

Castrol seals Burmah move Castrol, the worldwide

lubricants group, yesterday completed its reverse takeover of Burman Oil Twenty-four years after Burmah bought Castrol from its family founders, Burmah has finally made management changes and adopted a name that



After we've taken good care of you across the Atlantic, we'd like to help you on your way into town.

So fly with us and we'll give you a free helicopter ride from our own terminal at JFK International Airport to the Heliport on the East River at 34th street.

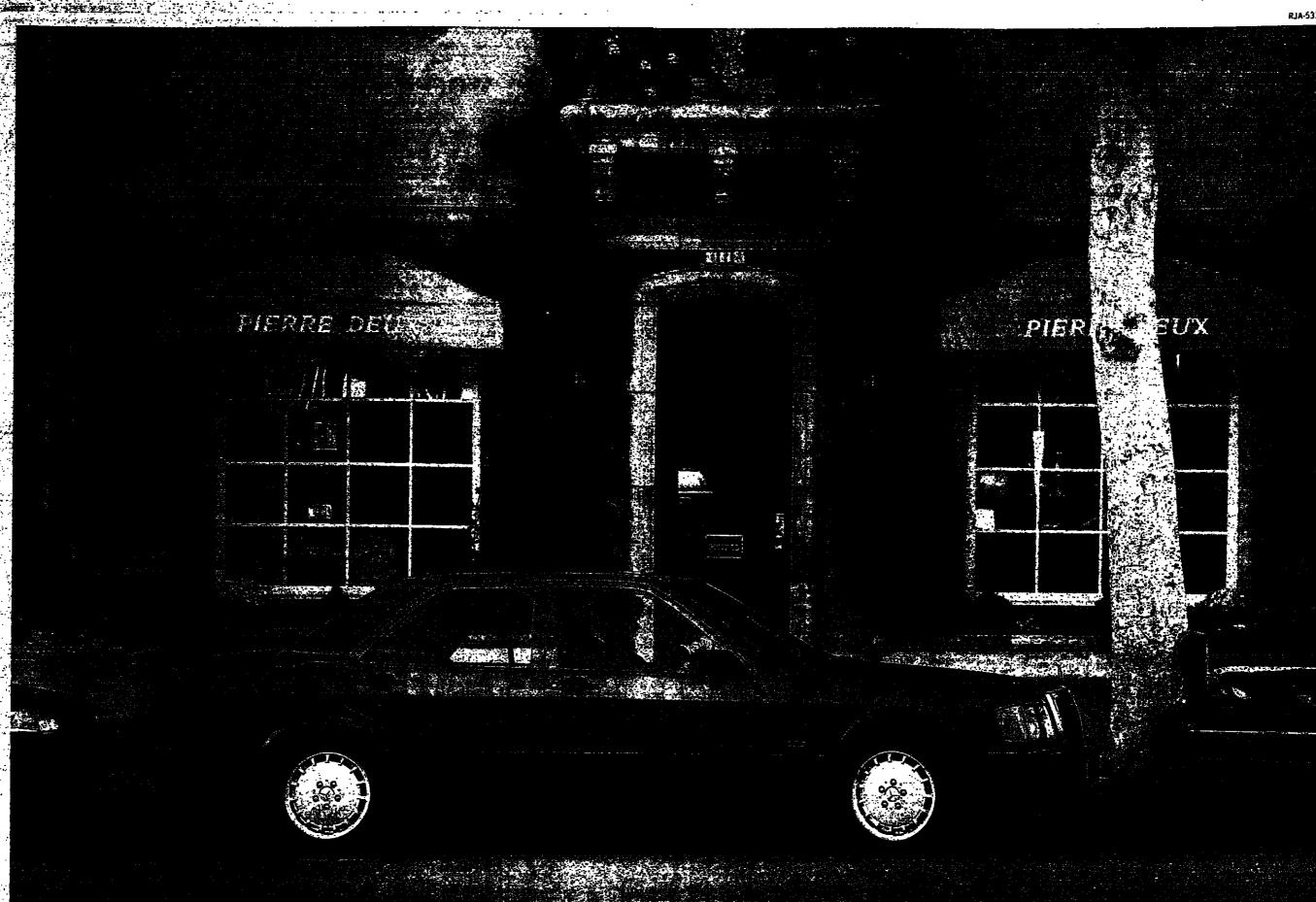
All you have to do is reserve the helicopter when you book your TWA flight. Ten minutes after take off, you'll land just eight blocks from the United Nations. Six blocks across town to the Empire State building.

There's no faster way to the centre of things.

Fly TWA Business or First Class to New York and we'll land you at East 34th Street.

TWA

For the best of America



190 series prices from £15,190 (correct at time of going to press; excludes delivery, road tax and number plates:.

Congratulate yourself. As the nose of your new 1905 L8 tucks behind the car in front, you may just have performed the neatest parking trick of your driving career: slotting into a space that would have felt too tight in a less thoughtfully designed car.

fowing a

rise at

s Royce

obank se firmed

m wat To e termed by Se CESTED OF THE

renon is is mante en aces

rhaui foi

ling mak

But you've pulled it off because allround vision in the Mercedes-Benz 190 series is as unobstructed, clear and helpful as you would wish. Your driving position, so carefully tailored by the ergonomic engineers at Mercedes-Benz, allows you a finely judged feel for the extremities of the bodywork.

PERFECTLY CALIBRATED CONTROLS

You're helped, too, by precisely weighted power steering. It feeds you all the assistance you need to manoeuvre effortlessly, but never feels artificially light.

And this fine-tuning of all the car's responses, so familiar to drivers of other Mercedes models, is your inheritance, too, when you order a new 1.8-litre 190E: the rock-solid 'thunk' as you close the precision-made doors; the quiet, absolutely rattle-free interior; a history of safety engineering that is the standard for the rest of the industry; a seven-layer rust-protection and paint process that will preserve the car throughout its lifetime.

The Only unle a Mercedes-Benz 190E

feels small





ENGINEERED LIKE NO OTHER CAR IN THE WORLD

These, among other qualities, make a lastingly faithful companion of the new 1.8-litre 190E, a car that feels especially relaxing during nip-and-tuck city driving.

But many cars feel small in traffic simply be-

cause they are small. The real trick is to feel substantial on the open road as well.

And cruising serenely at 70mph on the motorway in any of the six 190-series models, you'll find additional reasons to be grateful for the precision of Mercedes-Benz engineering.

WIDER ENGINE CHOICE

Like the other petrol-powered cars in the broader-based 190 series, the 1.8 is fuel-injected, which promotes easier cold starting and smoother running. This new car, developing 109bhp, is more powerful and more accelerative than the car it replaces and, like the 2.0-litre and 2.6-litre models, it can be fitted with a three-way catalytic converter as an optional extra.

If you run a company car, the 190E 1.8 is particularly attractive. You can specify generously from the factory options list, and still avoid the lowest of the purchase price tax break ceilings. About as satisfying an exercise, in fact, as threading yourself into a parking space that would have been too much of a struggle in a lesser car.

Fake bomb prompts BA to launch security inquiry

BRITISH Airways yesterday ordered a "full and immediate" investigation into its security after admitting that a fake bomb had been smuggled on one of its flights.

At the weekend Dr Jim Swire, the spokesman for the British relatives of victims of the Lockerbie air disaster, said that he had smuggled the fake bomb last month on a flight from Heathrow to New York.

Dr Swire, whose daughter was among the 270 killed at Lockerbie in December 1988, yesterday met the UK trans-port secretary, Mr Cecil Par-kinson and officials of the aviation security inspectorate.

According to Dr Swire, a former explosives officer in the

British Army, the fake bomb was a replica of the Lockerbie bomb which was contained in a radio cassette recorder. Marzipan was used instead of the

explosive Semtex.
He smuggled the fake bomb
to draw attention to the increasing frustration felt by the relatives of those who died in the disaster over what they perceive as the Government's prevarication in the Lockerbie controversy.

Lest month, Scotland's Lord

Advocate, Lord Fraser

announced that a fatal inquiry into the Lockerbie disaster will begin on October 1.
The relatives however are

calling for a full independent inquiry which would look into

the wider political issues such as how Heathrow airport and British Department of Transport officials reacted to warnings of a possible terrorist attack on US sirlines.

Dr Swire said yesterday: "It is extremely urgent that we have an independent inquiry to sort out security rather than wait for more people to be killed or for this fatal inquiry

The fatal accident inquiry's brief is to reach a finding on the immediate causes of the disaster, and any "reasonable precautions" which may have avoided it. Mr Parkinson has said he intended to launch a

First steps towards EC-wide qualification for 20m workers

By Dlane Summers, Labour Staff

THE FIRST steps towards a training qualification for an estimated 20m shop workers have been taken in a UK-led initiative that could provide a blueprint for other sectors.

The purpose of the scheme is to aid mobility of labour between EC countries in retailing as well as improve individ-ual national standards. Apart from competence in retailing skills, a Euro-qualification would demand fluency in another language and know-ledge of environmental issues. Mr Peter Morley, chairman of the European retail employers' social affairs working group as well as of the UK National

Retail Training Council, said yesterday that "no other sector has got this far." retailing employers and unions will thrash out the details.

The joint approach has led to

Mr Garfield Davies, General Secretary of the UK shop work-ers' union Usdaw, and Presi-dent of the European trade union body, said that "urgency and credibility" were being lent to the issue in the eyes of the European Commission because unions and employers

were working together.

The qualification could be loosely based on the UK's recently-introduced Retail Cermental differences in approach, the method of training would be left up to each EC country. Talks between the European

The joint approach has led to what both unions and employers are hailing as a break-through in relations with the European Commission.

Retailing has been granted "special status", following a meeting last week between both sides and Mrs Vasso Papandreou, Social Affairs

This means that the Commission will deal directly with retailing representatives on the full range of issues, including, for example, the controversial draft directive on part-time and temporary workers.

Tokyo-Narita named world's most expensive airport

TOKYO-Narita airport remains TOKYO-Narità airport remains the most expensive international airport in the world from which atrlines can operate, according to a report on airport charges by the TM Economics/Avmark group.

The next most expensive are Newark in New Jersey, Manchester, England, and Oslo, Norway.

Norway.

In contrast, the two principal London airports Heathrow and Gatwick are ranked 18 and 22 in the TM Economics/Avmark 1990 review of charges at 40 leading international airports. The airport with the lowest charges remains Dubai.

The review of charges for eight different aircraft types at 40 leading airports and calculates charges including park-ing and landing fees as well as navigational and passenger charges are converted to US dollars for the purpose of the

The latest index shows Tokyo in first place with aggregate charges of \$26,713 followed by Newark, New Jersey, with charges of \$21,551 with Man-chester right on its heals with \$21,532. Oslo is fourth followed

by Vienna and Auckland.

Dublin is tenth while both
Paris Charles de Ganlle and

Orly are ranked 16th with charges of \$14,108. This is higher than New York's Kennedy airport with \$14,008 which is just ahead of London Heathrow with \$13,577. Amster dam follows with \$13,123 and is ahead of Gatwick with \$11,652.

At the bottom of the index, the airports with the lowest charges are Los Angeles, Hono-lulu, Miami, Kuwait, Washing-ton DC and Dubai. The authors of the review.

however, warn it is difficult to make precise comparisons because different factors affect the way airports set their

chester reflects the difference in the general economies of scale between Manchester and the two London airports as well as Manchester's recent investment in a new terminal. New investment was also one of the reasons for Newark's

Airports in countries whose currency is weak against the US dollar also fare better in the index calculated in the US currency. Government owned airports also tend to be priced lower than privately owned airports which have to raise funds at commercial rates.

State-run airports often reflect government national or regional development and tourism policies, whereas private sector airports are perceived to be more commercially orientated with a regular policy of

ditionally had a policy of com-petitive pricing to make it more attractive as an aircraft

route to the Far East. Review of Airport Charges 1990 published by TM Economics! Anmark, 136 Long Acre, London WC2E 9AE, price £290[\$490.

refuelling stop for flights en

Inquiry takes off into London City's new runway

Paul Abrahams reports on plans to extend the airport in the capital's docklands

A begins its attempt to win consent for a runway extension at a public way extension at a public enquiry this morning, passions will be running high. Airports are emotive subjects. When they are located in the middle of a city, they are doubly so. At stake, according to John Mowlem, the construction company that owns 90 per cent of

pany that owns 90 per cent of London City, is the very existance of the airport. At stake too, according to nearby residents is the health and safety of the local community.

Mowlem is asking for the right both to extend the runway at the airport by 169 way at the airport by 169 metres and increase the nummetres and increase the num-ber of permitted movements by 21 per cent. The extended run-way would allow jets, such as the BAe 146, to operate from the airport to destinations more than 1,000 miles away. This compares with the 250 mile range of the De Havilland Dash 7 turboprop, pictured right, which presently flies

from London City. The company argues that without the runway extension



and the additional services that could be operated if it were built, the airport does not

have a long term future.

At the moment, the airport, located in the docklands to the east of the City, handles about 250,000 passengers a year. Mowlem admits it needs at least 450,000 if the airport is to even cover its operating costs, let alone cover depreciation

and interest or make a profit. in February, the company de an exceptional provision of £33m in its 1989 accounts against the airport.

The atrines operating from London City have also had difficulties making money there. Although Brymon Airways, which is partly owned by Brit-ish Airways, claims it is makmoney on routes from the

airport, at least one airline, London City Airways, stopped operating on the Amsterdam route because there was not enough passenger volume to make it profitable.

The company claims two Mori polls in the area showed that only between 2 and 3 per cent of the population identi-fied aircraft noise as a serious however, by Mrs Connie Hunt, a local resident and secretary of the Newham Dockland Forum, an umbrella body for local community groups.

"I don't know where they found their sample. We have gone from door to door and found nobody who was polled,"

Noise is also an issue. Local residents are already forced to stop conversations when air-craft fly over, according to Mrs Hunt. The BAe 146 is noisier than the Dash 7 on takeoff, the local community is worried that homes will be blighted,

"The airport is a good thing for businessmen, but gives hardly anything to the community," says Mrs Hunt. "And there's no guarantee that the airport expansion will stop after this application."

In the meantime, a passionate drama will start unfolding this morning at West Ham town hall in Stratford as sections of the East End local community takes on City.

FT CONFERENCE: NORTH SEA OIL AND GAS

Bright future seen for UK sector

By David Thomas, Resources Editor

PROSPECTS FOR the UK sector of the North Sea are excellent, with 14 projects involving total investment of about £5.6bn under discussion,

about 15,6bn under discussion,
Mr Peter Morrison, UK Energy
Minister, said yesterday.
Mr Morrison's optimistic
message was echoed by almost
all other speakers on the first
day of the FT's North Sea Oil
and Gas conference,
The Minister was particular

The Minister was particularly pleased with the initial response to the recent Frontier Licensing Round, which concerned areas to the west and north of Shetland in extremely Dr Harold Hughes, director general of the UK Offshore

equivalent remained to be discovered in the UK and Norwegian sectors, Mr David Hard-ing, chief executive of BP's exploration wing in Europe, told the conference. This was almost as much as the 33bn barrels of oil equivalent in

Miss Tone Skogen, deputy director general of the Norwe-gian Ministry of Petroleum and Energy, called on the oil com-panies and the offshore industry generally to consider new contract and pricing strategies which would introduce incen-

Europe would become increasingly dependent on Russian

.....

The exploration opportuni-ties which still existed in Den-mark were highlighted by Mr Hans Jorgen Rasmusen, execu-tive vice president of Dansk Olie og Naturgas, the Danish state oil company. Danish offshore development

throughout the 1990s, while the Danish natural gas transmis-sion network was likely to be increasingly integrated within the Scandanavian network. Mr Norman Chambers, chief

SCOTLAND. AVAILABLE IN ENGLAND.

The Scottish Development Agency has an office in London. So you can find out what makes Scotland far and away the best business location without going far out of your way. David Brown, our man in England, will tell you exactly what Scotland has to offer. Like office space costs that are up to 86% less than in London. Sites available for any type and size of business with skilled local labour to match. Advanced telecommunications and transport. Low operational costs. Labour costs 20% less than in London. More graduates produced per capita than anywhere in Western Europe. And some of the most breathtaking scenery in the world. For all the facts phone David Brown at the Scottish Development Agency on 071-839 2117 or write to him at The Scottish Centre, 17 Cockspur Street, London SWIY 5BL.



SCOTTISH DEVELOPMENT AGENCY, HEAD OFFICE, 120 BOTHWELL STREET, GLASGOW G2 7JP. TELEPHONE 041-248 2700.



klands

tatistics are a

No. 2 To See An arrange of the see An arrang

MINELTY BE-A

מין אותה אלה

Over across of the Bag 120 to 1

ommaning by

airport is a paid Marines to the says Marines to the says Marines to the says Marines to the says Marines and says Marines and

no konsense o expansion 25

e monning. 2

OTHER SERVICE

all in State at

If the East E

sector

ment bearing

ispenden in Le

SALE COMMENTS

ную Вешене

The property of the

ಚಿತ್ರಗಳ ಕೆಸ್ಟಾ

e would be

was the 1860 to

ಶಿಸಲಾಲಿ ಫ್ರಾಹ್ನ

(Brits Ba Lett

orman (Tember) ten er (Josephi)

ent interes

🐞 ಆರ್ಚಿಸಲ್ ಚಿತ್ರ:

AL THE TAXABLE

on the man

S

10.45

It takes two hours to drive to Marseilles from the Côte d'Azur. The rocky coast, covered in pine trees, is beloved by yachtsmen because it is cut by deep, long creeks, or calanques.

Marseilles is the Mediterranean's largest port and one of Europe's important industrial centres. The surrounding-region is more pastoral, but full of history and art. The Roman ruins at Nimes and Arles. The Van Gogh landscapes. The Camargne, with its marshes and wild horses.

Big ships and big factories moulded the personality of Marseilles. The city's industrial base is very diversified. Shell, BP, Arco in petrochemicals. Aliminium-Pechiney. Comex, the world leader in ocean drilling and world leader in ocean drilling and exploration. Many software firms have spring up in nearby Aix-en-Provence, while 33% of the civil helicopters exported in the world are manufactured by Aérospatiale, the biggest high tech firm in the Marseilles area. The range of businesses extends from a large modern farms. modern farms.

With 3,600 full-time researchers, Marseilles is one of the leading European cities in industrial R & D. Firms can obtain space at the famous research centre of Luminy, or at the new technopoles of Chateau-Gombert and Arbois, tapping into such advanced research labs as the International Institute of Robotics and Artificial intelligence.

Marseilles has many things to offer. Good telecommunications. An international airport with direct flights to New York and major European cities. Good schools and universities. Truly beautiful natural scenery close at

And the character and zest of Marseilles and its region.

The Bright Way.

The movies have yet to communicate this reality, but the French Riviera is becoming a world centre for telecommunications and technological research. Over 70 multinationals are there, including DOW Chemical, IBM, Rockwell, Texas Instruments, DEC, and Nestlé.

Sophia-Antipolis, the famous Science Park near Antibes, already represents 700 companies and 11,000 jobs. The Park is about to double, covering a total area half the size of Paris. Over 25,000 experts from many nations will be conducting research, mainly in telecommunications, data processing, electronics, and pharma-ceuticals. Sophia Antipolis III and IV will be built by the end of the century.

The Riviera also has 30 other business sites and ample plant and office space, all at competitive rates. A scenic highway links all coastal areas, and the Nice-Côte d'Azur International Airport already France's second largest has direct flights to the U.S. and Canada as well as major European cities.

he Côte d'Azur's economy is

CHAMBER OF COMMERCE AND INDUSTRY OF MARSEILLES PALAIS DE LA BOURSE BP 1856 13222 MARSEILLE CEDEX 01 TEL: (33) 91.39.33.04 FAX: (33) 91.91.42.25 DOMINIQUE ARRIGHI

france is the heart of the new Europe that will be born on January 1, 1993. It is the place to be for a foreign firm that wants to operate in that uni-

But France is also a country of 55 million freedom-minded individualists, and twenty-two regions that mirror the dynamism of the French people. No two regions are alike. All are historically interesting and culturally rich.

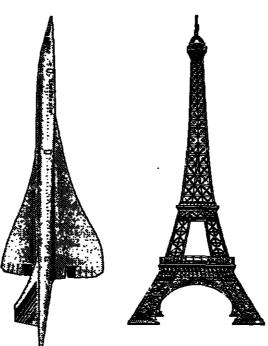
Regional Vigour.

An association exists to help international companies sort out the pros and cons of France's regions. Its acronym is FRIEND (French International Enterprise Development Association.) FRIEND

works for the benefit of foreign investors in conjunction with the Ministry of Industry and Regional Planning, It also coordinates its activities with an umbrella organization at the national level called DATAR which in specific cases can offer tax and other incentives to foreign companies investing in France.

Here are brief sketches of four of France's regions and the opportunities they offer.

HIGH-TECH-HIGH-LIFE



Concorde

Tour Eiffel

If you plan to set up a company within the major European mar-

panies preparing for the Nineties. major European market, plan for Europe's best location.

A stable, strong and homogeneous market, france is renowned for both its advanced technology and its "art de vivre".

center of the new Single European Market. From France, it can reach the fast-growing markets of Eastern Europe, Africa, and

the advantages of living and working

there. Beaches on one side, the Alps on

the other. First rate schools and univer-

sities. 40 museums and three sym-

In the 21st century the French Riviera will undoubtedly be a techno-logical showcase, but it will still be the French Riviera with 300 days of sun-

COTE D'AZUR DEVELOPMENT

10, RUE DE LA PREFECTURE BP 142

06003 NICE CEDEX

TEL: (33) 93.92.42.42

FAX: (33) 93.80.05.76

THIERRY MARTIN

phony orchestras.

In addition, France now offers new incenmarkets of Eastern Europe, Africa, and the Middle East. France is the key tions: We make business really simple.

INVEST IN FRANCE BUREAU DATAR UNITED KINGDOM 21-24 GROSVENOR PLACE LONDON SW1X 7 HU - TEL: (71) 823 18 95 - FAX: (71) 235 84 53 FRENCH INDUSTRIAL DEVELOPMENT AGENCY 610 FIFTH AVENUE, SUITE 301

NEW-YORK, N-Y 16020 - TEL: (212) 757 93 40 - FAX: (212) 245 15 68

growing by 10 % a year, compared to 3.5 % for all of France. But this growth is being carefully monitored to honour the Riviera's beauty and minimize pollution. Employees of the 55 American firms sited on the Côte d'Azur know

Success Is No Chance.

Located at the foot of the Alps, the area has motorways leading north and south from Paris and Geneva to Marseilles and Barcelona, as well as east and west from Lyon to Milan. The three national airports - Grenoble, Lyon and Geneva provide frequent international flights. The famous "TGV" links regularly Grenoble to Paris in three hours.

One of the significant advantages

FRIEND

1, AVENUE CHARLES FLOQUET

75007 PARIS

TEL: (33) I 40.65.12.34

FAX: (33) 1 43.06.99.01

KARINE BOUVET

of the Grenoble-Isère region is the quality of its exceptionally well-edu-cated and highly-skilled workforce. The area has three universities, and eight engineering schools with a total of 36,000 students.

With such a pool of talent, it's hardly surprising that so many research institutes have decided to locate here. Among the most notable of these, which employ about 8,000 people, are the Grenoble Nuclear Research Centre, the Data Processing Technology and Electronics Laboratory and the Max Von Laue-Paul Langevin Institute.

Last, but not least, the European Synchrotron Radiation Facility is setting up researchers and plans to host 2000 scientists a year. Grenoble is the largest R&D concentration in

GRENOBLE ISÈRE DEVELOPPEMENT L, PLACE FIRMIN GAUTTER 38028 GRENOBLE CEDEX 1

TEL: (33) 76.70.97.97 FAX: (33) 76.48.07.03 **BERNARD DELOUPY**

PAS-DE-CALAIS

he Nord Pas-de-Calais is strategically placed to provide a platform for businesses determined to exploit the opportunities of the single European market after 1992.

The Tunnel Gateway.

Jituated at the heart of western Europe, with close links with the dynamic economies of Rhineland Germany, Benelux and the Southeast of England, the region is ideally situated to provide access to the European Community's 320 m con-

The region's communications infrastructure is unequalled. The Nord-Pas-de-Calais already has six motorways running north-south from Amsterdam to Paris and eastwest from the channel port of Calais through to Reims.

By May 1993, when the channel tunnel is completed, the region will represent the golden-hub of the European TGV high-speed train network. The Nord Pas-de-Calais will benefit from the additional traffic generated by the tunnel. The operators expect between 30 m to 40 m passengers and 15 m tonnes of freight to pass through the tunnel in its first year. And the ferries, hovercraft and aircraft which carried 67 m passengers in 1988 will, of course, continue to operate. Lille, the region's capital, will soon be offering direct train services capable of 190 miles per hour to destinations such as Brussels, Amsterdam, Paris, Cologne and London.

In addition, the region will provide direct 50 minute services to Charles de Gaulle airport, Europe's second largest and fastest growing international airport.

A highly-educated, efficient and well-motivated workforce is at your disposal in the Nord Pas-de-Calais. The region boasts five universities which have a bias towards science and technology subjects - as well as 19 schools of engineering and colleges of technology.

At the heart of this exceptional region is the European Business Centre at Lille. The city is planning to provide offices, shops, homes and a World Trade Centre on a 110 hectare site located right next to the TGV station. The first phase, consisting of 55,000 square metres, will be ready in 1993.

France, after Paris.

International companies have also been drawn by Grenoble Isère attractiveness and quality of life. Cap Gemini Sogeti, SGS Thomson, Hewlett-Packard, the Open Software Foundation, to name a few, have located their operations in Grenoble.

The world-leading US workstation computer manufacturer, Sun Microsystems, has just decided to install near the city its International Centre for Network Computing.

NORD PAS-DE-CALAIS DEVELOPMENT 16, RESIDENCE BRETEUII PARC SAINT-MAUR 59800 LILLE TEL: (33) 20.55.98.82 FAX: (33) 20.55.39.15 JEAN-MARIE BUTIKOFER

Phone: (0993) 811674. fax (0993) 813244, The Rookery, Adderbury, B Oxon OX17 3NA, UK

THE CAMBODIA TRUST

UK Registered Charity No. 302972. Roland Joffe, Director of 'The Killing Fields' asks: CAN YOU GIVE IMMEDIATE PRACTICAL HELP TO AVOID A SECOND GENOCIDE?

Please assist us to find emergency funding for the following carefully targetted projects:

1, 200 amputees a month: a no longer wanted workshop to make modern prostheses, £35,000 (\$59,500).

 Peres and expenses for European expents to give gratis argent medical and fiscal advice: £15,000 (\$25,500) [first phase.]
 The first two CB HF dial telephones to link hospitals £6,000 (\$10,200) [full scheme #30,000 (\$51,000)].

4. PC IBM compatible computers using Kluner alphabet - £1,000 each (\$1,700). Good used machines welcome. There is an urgent need for prosthetists.

If you have a property to convert into a Nursing or Residential Home, if you already own a Care Home, or if you wish to invest in this market, you should

Independent Healthcare Initiative.

Our Managing Director David Briefley made his name in the industry with Ladbroles' Gable House group. We can advise on legislation, registration, operational and management: systems - in fact, everything you need to make your carino business a successful business. To find out more, call David Briefley now on:

081-207 0833

Independent Healthcare Initiative Limited 25 Barham Avenue, Elstree, Herts WD6 3PW, Tel: 081-207 0833

> Kingdom of Sweden FRF 500,000,000 11% Retractable bonds due 2000 Notice of Subsequent Interest Rate

of the OAT E20% 1986 visits beaut on wild prices as as

ent in alumn 7 (d) the hingdom of Supplem whiten to remind the Bondonlows of thire sight to o redumption of Shot Bondo at their principal emovet on the hybroait Cydyn Dade.

Such right shall be executed by accreateding such boods at the office of the Flood Agent or any Paying Agent, an hair that 13 Jaly 1980, together with all Coopean approximing thereto which maters after the bilinest Cytics Dain. The exempts of such high shall be brookelle use to Bood or Coopean so surrender.

INTERNATIONAL PUBLIC BID FOR PRE-QUALIFICATION OF OIL COMPANIES FOR PARTNERSHIP IN CENTRAL AREAS OF YACIMIENTOS PETROLIFEROS FISCALES

INTERNATIONAL PUBLIC BID No. 14-277/90

LOCATION AREA . VIZCACHERAS 6.710 Ha. (Mendoza Province)

<u>PUESTO HERNANDEZ</u> 8.700 Ha. (Neuquén Province)

EL TORDILLO (Chubut Province)

EL HUEMUL (Santa Cruz

Value of folder of Bidding Terms and Conditions: US\$ 1.000.

(U.S. Dollar One Thousand) Sale date: From July 2, 1990. Mondays through Fridays from

9:00 to 12:00 and 14:00 to 15:00 hours. Sale Place: ARGENTINA: Gerencia de Licitaciones y

Contratos Av. Presidente Roque Sáenz Pena 777 - Ol. 832 Buenos Aires

U.S.A.:

Plaza East, Suite 250 Houston, Texas 77048 The value of the Bidding Terms and Conditions and technical documents is payable in U.S. Dollars of its

9.684 Ha.

17.065 Ha.

equivalent in Austral (A) at sole free sale rate exchange published by the Banco de la Nacion Argentina previous to buying date, Opening date and place: August 30, 1990 at 10:00 AM at

Salón de Actos de Y.P.F. "Gral. Manuel Belgrano", Av. Presidente Roque Sáenz Pena 777-13th. Floor. Buenos Aires, ARGENTINA.

IZMIR

The Financial Times proposes to publish this survey on:

19th July 1990

For a full editorial synopsis and advertisement details, please

Chris Schaanning 071 873 3428 Connie Davis 071 873 3514

or in Turkey:

Ciro Costante, Birinci Levent, Toren Sok 14, Iskender Apt 1 80600 Istanbul. Tel (1) 1792648 Fax (1) 1641761

FINANCIAL TIMES

FT LAW REPORTS

Administrators must pay uncollected rents

RE ATLANTIC COMPUTER SYSTEMS PLC (NO 2) Chancery Division: Mr Justice Ferris: June 22 1990

INSOLVENCY administrators who in the course of their dudnistration retain and use equipment supplied to the company under hire purchase or leasing agreements for the purpose of its leasing business, must pay the owners sums due to them under those agree-ments arising during the administration period, appor-tioned on a day to day basis as tration order, irrespective of whether the end users withhold rentals due to the com-

pany. Mr Justice Ferris so held on applications for orders and directions by administrators of Atlantic Computer Systems plc, additional to those given by him in his judgment of May 25 (FT, June 13 1990), in respect of sums payable by the com-pany for equipment supplied and funded by Norwich Union Insurance Group and Allied Irish Banks plc.

HIS LORDSHIP said that on May 25 he decided that if chattels belonging to a funder and made available to a company under a hire purchase agree-ment or head lease were used in the course of the company's business or realised while an administration order was in force, the funder was entitled to receive as an expense of the administration the payments provided for by the hire purchase agreement or lease.

Also, he held that subject to the possibility that administra-tors might be able to establish in particular cases on excep-tional facts that chattels had not been used for the benefit of the company or its creditors in the course of administration, Norwich Union and Allied Irish, as owners of leased or hired chattels, were entitled to receive as administration expenses, payments in respect of those chattels under the hire purchase agreements or lease.

The reasons for that conclusion included the absence of power in the administrators to disclaim particular equipment; the purpose for which the administration order was made, namely a "more advan-tageous realisation of the company's assets than would be effected on a winding up" (see section 8 (3)(d) Insolvency Act); and the fact, as was then understood to be the case, that the administrators were collecting end user rents with a view to using them in the administration to discharge

company liabilities.
On the present applications evidence had been filed to the effect that contrary to what had been indicated previously, very little was being collected in respect of end user rentals. To some extent non-collection was due to the fact that there had been pre-payments, and to the fact that end users were withholding payment.
First, the administrators

sought an order that Norwich Union and Allied Irish were not entitled to payment for periods terminating after April 18 (the date of the administration order) for which the company had previously paid in

Norwich Union and Allied Irish submitted that the only effect of pre-payment was to second time of what had already been paid.

The administrators suggested that pre-payments had a further effect. During the period covered by pre-payment the company was entitled to enjoy and exploit the equipment to which pre-payment related. It followed, so it was said, that nothing done during that period could constitute retention or use for the pur-poses of the administration.

That argument went too far. The administrators' acts or omissions constituted only some out of a wider range of factors to be taken into account in determining whether there had been retention or use for the purposes of the administration. In so far as those acts or

omissions were relevant there was no warrant for leaving them out of account altogether if they took place during a period covered by pre-payment. Second, the administrators sought an order that Norwich Union and Allied Irish were not entitled to payment where rent had not been received

18. They submitted that where equipment was not actually contributing to the income stream, it could not be said to be retained or used for the purposes of the administration. There was a wide range of circumstances in which equipment might not contribute to the income stream. The court

could only make the order

from the sub-lessee after April

sought if it took the view that non-receipt of payments from end users established conclusively that equipment was not retained or used for the purposes of the administration.

It did not take that view.
Although the evidence now showed that the assumption that end user rentals were being collected as they became due was incorrect, the situa-tion did not displace the main reasons the court had given for its previous decision. The order was refused.

The administrators also sought directions where certain payments which might become due under hire purchase agreements or head leases, other than base rents, were payable as an expense of the administration. Base rents were the ordinary rents payable periodically under the hire purchase agreements or head leases. It was to those that the

May 25 decision was directed. The administrators argued that supplemental rent, insurance, interest and maintenance payments were different from rent, and sums due to funders in respect of those items could not qualify as expenses of the administration. The court could discern no difference.

It directed that supplemental rents, insurance payments or damages for breach of cove-nant to insure attributable to a period of retention and use, interest on rent or supplemen-tal rents attributable to such a period but paid late, and damages for breach of covenant to maintain the equipment attributable to such a period, were all payable as expenses of the administration.

The administrators also sought directions as to whether their liability to pay periodic rental payments any other sum pursuant to the head leases arose at April 18 or at some other stage, and if so

what date.

That raised the question of when the period of retention and use began. There were two possible approaches.

The first was to say that having regard to the nature of the administration, the statutory purpose for which the order was made, the administrators' statutory duties, the absence of rejection of equipment or transactions by the administrators, and other indicia, retention and use commenced on April 18 unless the contrary could be shown in any particular case.

The second approach was to

adjudicate on a case by case basis according to the particular circumstances.

The court had already ruled in its decision of May 25 that the first approach was correct. The material part was "Subject to the possibility that the administrators may be able to establish ... that chattels have not been used ... in the course of the administration, ... owners...are entitled to receive ... payments ... payable under the ... agreement or

In the court's order of May 25, which had not yet been drawn up, it would be appro-priate to declare that "subject to the contrary being shown in any particular case on applica-tion to the court by the administrators or otherwise, the administrators are to be treated as having retained and used for the purposes of the administration since commencement of the administration the equipment made available to the company by Norwich Union and Allied Irish under the several hire purchase agreements or head leases entered into between each of them and the com-

pany".
That would reflect the May. 25 judgment and would make further direction unnecessary.

The administrators also sought directions as to whether liability accrued on a daily basis or some other basis. If an annual or quarterly rent instalment became payable the question was whether the whole instalment was to be treated as an expense of the administration, or only the part apportioned to the period of retention and use

In cases relating to the anal-ogous situation of retention and use by a liquidator apportionment had been applied (see Shackell [1895] 1 Ch 378; ABC Coupler Engineering [1971] WLR 702; HH Realisations (1976) 31 P & CR 249.) The court ought to apply those decisions. Liability in respect of periodical payments accrued on a day to day basis. For Norwich Union: Michael

Crystal QC and David Mabb (Allen & Overy) For Allied Irish: Michael Crystal QC, Richard Adkins and Sandra Bristoll (Wilde

Heslop QC and Victor Joffe (Cameron Markby Hewitt)

Rachel Davies Barrister

320,2 mph: the TGV Atlantique holds the world rail speed record. GEC ALSTHOM is a world leader in railway equipment. GEC ALSTHOM is constantly winning the race against time and space worldwide. Thanks to a unique combination of skills. GEC ALSTHOM is able to provide its customers with the most sophisticated rail transport systems. From rolling stock to signalling devices; high speed trains electric or diesel locamotive mass transit and metro trains, light rail vehicles automatically or manually driven. And all the automati operation and traffic control equipment to allow quicker and safer travel Shortening distances harnessing energy, bringing continents closer GEC ALSTHOM's fields of generation, transmission and distribution. Transport and shipbuilding. Fluid control Robotics and new materials GEC ALSTHOM is 89,000 people around the world. Annual sales of 25 billion. Leading edge technology as a daily reality. Respect for the environment as a prime consideration GEC ALSTHOM wants to make an even greater contribution to satisfying two fundamental human needs energy and transport.

WHY DISTANCES BETWEEN PEOPLE ARE SO GREAT, BUT EVERYONE Knows WHO BREAKS SPEED RECORDS TO MAKE THEM SMALL

No One Knows

T(East L

35 C 34 60 -

5 1 2 1 4 m

- F

sami. Kini

All Mark St. C. Lake

Step Apple 6 Course

se in the control of

presidente de la

Madalu, n.s.

建氯烷 化二氯甲基

paga paga a dulah

Louise Kenge

122 - 122 -

ELECTION ST.

50 t

My Favourite Tree' is a sed by the Financial orks of leading pro vables, bapie t AS PUCAU COURCE Authorito: has be Scalpi or photogr हुना ल सुन स्ट्रांन

.Aioned III and .

A Foren - 25 Side and Forest

TECHNOLOGY

A victory for Lotus copyright

me a case by mining to the standard sta

sors may be

that Chile

MOST TO THE PARTY OF THE PARTY

Minister Co.

payment of the state of the sta

BUNG COLD AND

medical for the second

ten bene

or cryecalist

stors are named and he survives to

electrical and an electrical and the second and the

the comment of the second of t

वार्ष स्टब्स इन्ह

ild refer to the second second

tion or out a

Satur D the

Mich Ci sand ad been strong and been strong first i Ch 12 and inclinering HH Resident to Ca 12 and the Ca 12 and t

the first the first time

the state of

ತ್ರಾ ಪ್ರಾಥಾನ್ಯ

Park Makes

Burney Alex

and the second

CTC FILE ... Cartey Rea

lachel Date

VOW

NUES

EOPLE

EAT.

HEN

i end the

LOTUS Development, publisher of "123", the popular personal computer spread-sheet program, last week won a copyright dispute that may have widespread implications for software upons

for software users.

A US Federal judge ruled that a "clone" of 1-2-3, published by Paperback Software. infringes Lotus's copyright because it imitates the flook and feel" of the original. Lotus filed suit against

Paperback in January 1987, charging that the company deliberately copied, keystroke for keystroke, the spreadsheet module of Lotus 1-23.

The ruling sets a precedent that could apply to several "look-alike" versions of widely used software programs. It may also influence the copyright dispute between Apple Computer, Microsoft and Hewlett-Packard in which Apple has charged Microsoft and HP with infringing copyrights of its Macintosh graphical user interface programs.

The court's decision "is a victory not only for Lotus, but for the software industry as a whole," said Tom Lemberg, Lotus's vice president and gen-eral counsel. "This is good news for developers who, with-out protection, might find if unfeasible to market their creations," he added.

The decision appears to undermine the strategy of Paperback Software and other companies which offer took alike versions of popular programs at prices much lower than the originals.

The court has not awarded

damages or imposed an injunc-tion upon Paperback Software preventing further sales of its spreadsheet program. Lotus's lawyers said that an injunction is expected, however, while Paperback said that it would launch an appeal.

A similar ruling in the Apple suit against Microsoft and Hewlett-Packard could limit the use of programs such as Microsoft's "Windows", which is quickly gaining popularity.

Although Apple's claims have been restricted, the appointment of a new judge to the case and the Lotus ruling provide Apple with a new program of the case and the case are the case and the case and the case are the case and the case are the case and the case are the provide Apple with a new opportunity to press its claims.

A high-ranking team of Soviet research managers, meeting western counterparts to high-ranking team of discuss the exploitation of freshly declassified Soviet tech-nology and science, were affronted by a suggestion that the West may not be inter-ested. The Soviets are deeply proud of their achievements in space, not least in keeping peo-ple in space for up to a year. Until recently Soviet space development was a top secret programme. But improved relations with the West and the Soviet desire to exploit their technology through interna-tional collaborations have brought some of it into the

Next year the Soviet Govern-ment intends to transfer some 5bn roubles from the defence budget to the civil sector, to be administered by the State Committee for Science and Tech-

that will excite you. Tell us how we can use western experience in market economics to generate new business, asked one Soviet delegate at a recent gathering at the Ditchley Park international conference centre in Oxfordshire. "Which models The Russians could not believe that the West would not bid keenly for the opportumity to share this technology for peaceful ends. But western delegates warned stubbornly of the obstacles hampering exploitation of any new tech-nology, particularly a defence technology such as Soviet space. They also warned how much of the West's own pro-lific technology falls to be suc-

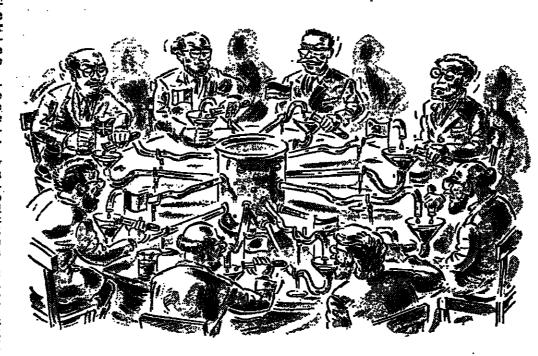
cessfully exploited.

In short, they admitted that there were no infallible models for Soviet scientists to follow in trying to turn technological wealth into hard currency. Saleable technology is getting more complex, requiring more "enabling technologies". The Japanese have enjoyed the best record for two decades in turning technology into novel products, and the crucial factor seems to be the immense effort which they make to under-stand what the market wants before they begin to invent it.
As one industrialist familiar

with Soviet industry remarked at Ditchley, a profound weakness of the Soviet system is its inability to understand what the market wants from technology and how to meet those

How to make better use of research and development is a problem that loomed large for David Fishlock discusses ways of making better use of an investment in research and development

A case of share and share alike



who gathered in West Berlin for the annual conference of the European Industrial Research Management Association, a club of research-based European companies. Their subject was mastering the growth of technical information, which raised the question of whether R&D is indeed nec-

R&D is widely believed to be a "good thing". The British Government wants industry to carry out much more of it, and is persuading companies to publish their R&D budgets in annual reports, hoping the City will thus be persuaded to back

those who invest in it.

But how typical is the following example which came to
light in Berlin? A UK engineering company's R&D centre has spent about £11m a year without question, but also without perceptible impact upon the firm's fortunes, until a new director asked: "Just what does that R&D place do?"

Doing your own R&D is one way of obtaining the information needed to create a new

product or process. Alternatives, according to Professor Sergio Barabaschi, deputy gen-eral manager and chief technologist of the Italian engineering group Ansaldo, include buying new technology through a research contract, or licensing it, or buying the organisation with the technol-

ogy you need. Another option is to join research co-operation with other companies such as the EC's Esprit programme in information technology, and the 19-nation European Eureka programme of long-range industrial R&D, and share the expense. Yet another is to obtain information "free" from published sources such as

In Barabaschi's opinion, European industry is relying too heavily on its own R&D. He points to the growing complexity of products and processes, and the mounting cost of having the necessary scientific skills in-house. He points to the amount of publicly funded R&D being done by EC mem-

ber countries, with a budget of Ecu 184bn (£130bn) between 1987-91. He urges companies to consider instead the "assembly" of knowledge culled from diverse sources. It means being creative in a different way from the traditional methods of

the research scientist, he says.

New tools to support this kind of team creativity were addressed in Berlin by Professor John Taylor, director of Hewlett-Packard's new European laboratories in Bristol. It is not enough to acquire informetion, he said. The informa-tion has to be shared, and shared in real time if it is to be turned into commercially successful new products.

Today, perhaps 1 per cent of published information has been captured by the computer, and 99 per cent remains on paper. He believes the solu-tion to capturing more, and facilitating the sharing, rests in treating information as images. The computer must present its data as pictures. Patents are one source of A second article will appear on new knowledge that may be

accessed through such images. The European Patent Office is one of the world's biggest sources of technical information. It expects to process 60,000 patent applications this year. As printed patents, this information weighs half a tonne and occupies 50 metres of shelving, says Gerard Giroud, EPO's director of patent information.

The Patent Office's Espace

project, which puts patents on compact disc with a read-only memory, strives to simplify life for the innovator. Through the Espace CD-Rom series, the year's data can be condensed into 50cm of shelf, for a produc-tion cost of only DM 5,000. EPO is funded by 14 European member states, and is beginning to excite interest in eastern Europe, where Czechoslovakia, Hungary and Poland have all applied to enter the club.

How does a company persuade its innovators to pay attention to what has already been discovered? Japanese companies rely heavily on a "human network" of open dis-cussion of science among sci-entists, says Mike Goodman, vice president of Grace Industrial Chemicals. What in Britain might be called an "old boy network" serves to spread the information that makes Japan so dominant in many

areas of technology. Carlo Rossi, president of the Fiat Research Centre in Turin, says he expects his scientists to devote at least 10 per cent of their working time to speaking at conferences and workshops. His centre, with about 800 staff, is the interface between a staff, is the interface between a group with 10,000 technical staff and universities, international research collaborations such as Eureka and the European Space Agency.

At Ditchley it was claimed that Societ actions and technical states.

that Soviet science and tech-nology is generating 100,000 inventions a year. The Soviets received some harsh warnings. The world is littered with technical ideas and products that have been commercial failures," said one British aca-demic. Defence technology, plainly the bedrock of Soviet confidence in its own technological achievements, has not been a sound basis for beating swords into profitable ploughshares in western experience.

No one should embark on patenting unless they have worked out a commercial strategy, counselled a British indus-trial scientist. What is more, sharing a monopoly is never easy - even among friends.

Databases head for battlefield

pening shots are being fired in the battle for market leadership in the next generation of database management systems (DBMS), the sophisticated and expensive pleces of software which sit at the heart of every large company's data processing systems.
The DBMS stores and con-

trols every item of a company's data, from payroll details to inventory and financial performance. Commercial success or failure can, and often does, depend on the efficiency with which the DBMS software retrieves the data from the computer system and assem-bles it into information which managers can use.

The battle now developing is between exponents of the "relational" approach, which characterises the most success-ful databases now in use, and a group of start-up companies using an advanced technology called "object orientated" pro-

gramming.
UK data processing specialists will have the chance this week to hear one of the world's leading database experts from the relational side of the battle outline his views on the creation of a

"third generation" DBMS. Michael Stonebraker, professor of electrical engineering and computer science at the University of California at Berkeley, will be giving first details in Europe of a "mani-festo" for the DRMS of tomorrow which he has written in collaboration with a group of

top database specialists from the relational camp. The battle for the future of the database is developing against a background of considerable dissatisfaction among users. Butler Bloor, an authoritative technical consultancy, noted in a recent report: We have no evidence to suggest that many relational data-base management systems can offer satisfactory solutions for the large, complex database implementations that are needed for an organisation's core business processing. We have substantial evidence to the contrary."

Stonebraker's manifesto group does not disagree: "Sec-ond generation systems do not support most business data processing applications all that well," they write. "Almost everybody requires a better

First generation systems are "hierarchical"; fast if you know what you want but otherwise inflexible. Second generation or relational databases make it possible to ask much broader questions but at the expense, until recently, of speed and computing power. Third generation systems have no generic name yet but are likely to draw on the strengths of both relational systems and object orientated develop-

The latest fashion in DBMS is object orientated systems supplied by US start-ups like Object Design, Ontologic and Symbolics. Object orientated programming is widely regarded as one of the most important developments in business data processing, but Stonebraker's group has reser-

These products. Stonebraker complains, lack multilinguality, a query language like SQL, fourth generation languages and high transaction processing rates, all important to effi-cient database management. The manifesto claims that ccessful DBMS in the 1990s will have to meet three tenets. Accommodate a broader range of types of data. A bank "day" for example, ends at 15.30, not 24.00. How should a photograph of a document be stored and retrieved? • Accommodate all the good

features of the second genera-tion databases including the ability to link together dispa-

rate data.

Be able to communicate freely with other software systems. It should be possible to make enquiries as easily in the "C" language as it is in Fortran or SQL

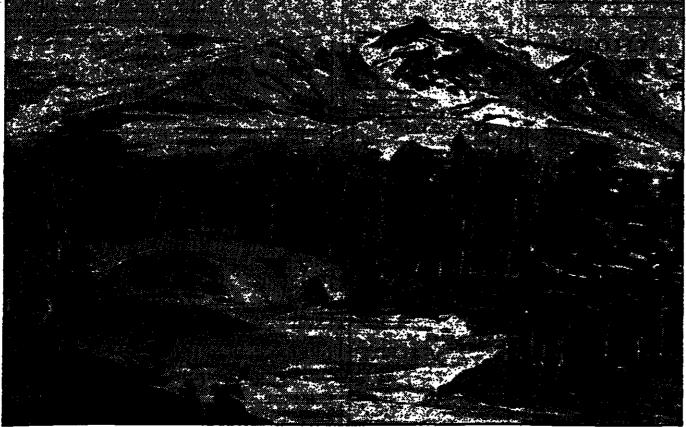
Stonebraker accepts that the battle to see which products win the battle is still wide open, although he says: "Relational systems are closer to meeting our three tenets than those from the 'O' companies" But in changing to third generation systems, the customer seems likely to lose,

regardless. "Users," Stonebraker said gloomily, "are going to have a hard time of things."

Alan Cane

/************* FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER

To create a forest in East London we're putting up 50 trees in Bloomsbury.



WO

'My Favourite Tree' is a major exhibition organised by the Financial Times, which shows the works of leading professional artists, photographers, public figures and celebrities who have shown concern for our environment.

Each contributor has been asked to either paint, draw, sculpt or photograph their favourite tree. At the end of the exhibition, the works of art will be auctioned in aid of The East of London Community Forest - a scheme organised by the Countryside and Forestry Commissions:

my Favourite Tree *

From 9 - 19 July 1990, at The Imagination Gallery 25 Store Street, South Crescent, London WC1 Open 12.30 pm - 6.00 pm Mon. - Fri. Sat. 14 July 10.00 am - 6.00 pm, closed Sun. 15 July. ADMISSION FREE

PRICE WATERHOUSE and the FINANCIAL TIMES CONFERENCE ORGANISATION present:

CAPITAL **MARKETS WORKSHOP**

17-19 OCTOBER, 21-23 NOVEMBER, 5-7 DECEMBER 1990

his important 3-day workshop will benefit all those responsible for managing capital market activities or providing the vital support services.

A structured programme of intensive, practical training will build a thorough understanding of today's volatile markets, and the implications for operations, risk management and reporting.

Speakers will be drawn from Price Waterhouse's Capital Markets Group and a panel of key individuals from organisations involved in capital markets activities including:

Jonathan Britton	Ariel Salama
Finance Director	Vice President, Global Risk Management
Swiss Bank Corporation London	Bankers Trust International Ltd
Tony Cooper Director, Treasury & Capital Merkets Trading Division Hambros Bank Limited	Richard Kilsby Senior Managing Director, Capital Markets Charterhouse Bank Limited
Bob Fuller	Rîchard Hines
Director, Capital Markets	Assistant Treasurer & Group Project Manager
Charterhouse Bank Limited	Prudential Corporation plc

11	we	rruci	IWUSC
			-



FINANCIALTIMES CONFERENCE ORGANISATION

RETS	the Capital Markets Worl		London SW1Y4UJ Tel: 071	London SW1Y 4UJ Tel: 071-925 2323 Telex: 27347 FTOONF G Fax: 071-925 21					
	MANE		POSITION						
KSHOP	COMPANY	····	ADORESS						
		OSTCODE	COUNTRY	TEL:					
	TELES	74Xt:	TYPE OF GUSINESS						

s east European countries grapple with the transi-tion from planned to market economies, it is the struggle against officialdom which preoccupies Ladislav Vostarek, a rague lawyer who is also a rock music impresario, songwriter and head of the six month-old Associa-

tion of Czech Entrepreneurs. If his experience and that of others is a guide, entrepreneuri-alism is a long way off acceptance in practical terms at the grass roots microeconomy in eastern Europe. Vostarek's problems are typical of

the countries of the eastern bloc. They revolve around the rights of individuals to set up businesses, open bank accounts, obtain access to working capital and advice, employ other people and to trade with each other and the general citi-

After decades of suppression, privately-owned business is struggling for life. To the would-be entrepreneurs who want to fend for them-selves, it is not a matter of privatising large state-run enterprises, but of allowing new small businesses to form and grow.

In countries where the size of the average payroll was about 4,000, governments and officialdom are derstandably struggling to understand what entrepreneurship is about and how to nurture it.

Vostarek and the 100,000 people who have already joined his association believe they should be in the vanguard of economic change, but planning dies hard among planners. "We are suffering from a weight of bureaucracy," he says. "Bureau-cracy is an obstacle between the people and the government. The old and usually communist bureaucrats try to preserve their chairs and show their indispensability. Under their slogan of 'We cannot allow anarchy in our economy,' every

You need 13 official stamps if you want to form a company with permission to export, ten if you try to start a simple business like a travel agency. You have to spend a lot of time queuing outside the doors of clerks in their offices.

activity must be checked and con-

There is a 30-day wait for permits. You have to wait weeks to be entered on the official register. All safety and fire precautions have to be officially inspected. There is little support for anyone. It is totally different from in the West.

"We don't have a properly operat-ing banking system to obtain loans. We live in doubt about whether raw materials will be available, and about how much tax we will pay at the end of the year. There is no certainty, only adventure." Florin Burada, the head of a new

consultancy for small businesses in Romania, says the government in Bucharest has so far issued 21,750 permits for people to start up small firms but only 11.270 have been able Entrepreneurship in the East Bloc

The struggle for an independent life

The need to break free of central planning and to nurture the creation of privately-owned small businesses is widely recognised but it will not be easy to cast off a monolithic culture. Ian Hamilton Fazey reports

to get going so far, despite 78 per cent of the permits relating to uncomplicated businesses such as selling food, and simple, local trad-

There is a problem because all of these small firms have asked for premises," Burada says. "Local town halls have not been dynamic in looking for suitable places for them. The legislative framework has yet to be set up to provide the conditions in which these firms can operate. There are also problems over lack of raw materials and lack of equipment."

Tamas Horvath, research associ-

ate in the economic unit of the Hungarian Academy of Sciences, says that in most East Bloc countries, the communist party always allowed a small private sector – provided it consisted mainly of one-man businesses, usually job-bing builders, mechanics or similar craftsmen.

His own research has shown that in Hungary their numbers remained static throughout the 1980s, irrespective of government claims that self-employment was on the increase. The rise, he says, was in numbers of taxi-drivers, but their ranks are now saturated for the size of the economy and taxi-drivers are themselves trying to limit numbers of new entrants.

He sees change happening, but very slowly. For example, in 1970, one in every four of Hungary's 69,303 self-employed artisans themelves employed someone else. In 1988, 90,299 artisans had 55,921 employees between them — a rate of nearly two jobs created by every three self-employed people.

However, the numbers involved

are minuscule in a population of about 12m and Horvath says that it will be a long time before they can make a significant impact on the prevailing commercial culture.

Britain, in comparison, has about 1.6m small businesses and 12 per cent of the workforce is self-em-ployed. This is an improvement on the 9 per cent of 1979 but still lags behind West Germany and Italy, which help pull the European Community average up to 16 per cent.

The contrast nevertheless remains telling even when one of

Britain's worst examples of a dependent, low-skilled, high unemployment, local labour market is considered. Kirkby, on Merseyside, has only 4.5 per cent of its workforce in self-employment. However, the corresponding fig-



ure for the whole of East Germany

is 2.1 per cent. Giving people the right to do simple things such as open bank accounts or employ others was an emergent cry at conferences organised last month by the Organisation for Economic Co-operation and Development (OECD) in Trieste and Berlin. The conferences were designed to assess the match between what the West could provide and the East absorb in encour-

aging entrepreneurship. Entrenched official attitudes and a dependent culture look like being among the biggest obstacles to the development of private business from the bottom up.
As Professor Nikolai Smeloff, eco-

nomic adviser to President Mikhail Gorbachev, puts it: "There is a reluctance to give freedom to private enterprises to hire their own labour." But he warned of considerable unemployment to come. "At least 25 per cent of the Soviet labour force is surplus at the moment and at least 20 per cent of state-owned enterprises will close." Christopher Brooks, head of the OECD's programme for local employment initiatives, says that

making life difficult for people like

Vostarek will stifle economic develcoment, not least because encouraging the growth of small and medium-sized enterprises itself helps develop a self-perpetuating middle-class, which in turn helps stabilise society.

"It will be at our peril that we do not take seriously small firms, growing small firms, self-employ-ment, entrepreneurship and local development. Western governments used to ignore small firms in favour of easy relations with hig business and macroeconomics. It was a mis-

take." Brooks says.
"We have to accept that entrepreneurs are difficult to control; that they have the habit of saying what they think. Bureaucrats don't like them. They will be a source of trouble and confusion in eastern Europe. In Russia the very word entrepreneur is an insult.

"But the question is not whether small is beautiful or ugly, but whether small is efficient. The eastern nations have to accept this because of the proven correlation between job creation and small and dium-sized enterprises.

"The evidence is that entrepre-neurs can be trained and that entrepreneurship can occur almost any-

where," he says. West Germany's leaders see the development of small business as an important force in purging "scle-rosis" from eastern economic structures. Help, advice, capital, and careful nurturing in business incu-

bator units and managed workspace are on offer. Heinz Fledler, executive director of the Association of German Technology and Business Incubator Centres (BICs), says: "If you start a business in a country where you don't know if the economy is even going to survive and where regula-tions change every day, this is too much of a risk for most people.

The West German Government has given DM25m (£8.62m) to help establish 15 BICs in East Germany. They will link into West Germany's network of 80. Fiedler says that they will be important for the role models created by successful busi-nesses within them.

He acknowledges that East Ger-many's is a special case. Of the

Incubators will help ease this prob-

other East Bloc nations, Bulgaria is planning 12 BICs, Czechoslovakia is setting up three, and there will be one in Poland. The Soviet Union is

needed. "Acceptance of entrepre-neurship as a social value is only on the surface. It is not accepted that a successful entrepreneur should become rich in a few years. If there THE RESERVE

. . . .

44

is not more acceptance, the move-ment will fall."

Reti is also worried that the transmission of Western aid could be a matter of luck. One US bank which announced a fund for small businesses was so inundated it was impossible to evaluate applications considering a network of BICs and

properly.

He also sees an irony. Small business development in the West has been encouraged and sided by gov-ernments, usually working in some sort of partnership with the private sector and local authorities.

"But in Eastern Europe there is a continuing withdrawal of the state from all sectors of the economy," he says. "The irony is that we need state help."

Zoltan Roman, of the Hungarian Academy of Sciences, says: There is a reaction against state involvement in anything.

The assumption is that more help will have to come from the West. Sergio Arzeni, an OECD expert on small business development, says that financial instruments and structures are needed to nurture spontaneous entrepreneurship at the level of tiny businesses, as well as the more promising high technology projects that often emerge in

"You have got to develop finan-cial entrepreneurship alongside all other forms of entrepreneurship," he says.

However, a more gloomy note is sounded by Doris Cornelson of the German Institute for Economic Research in Berlin. "The question is not the amount of help from the West, but the capacity for absorp-

tion in the East," she says.
"Structural adjustment, capital
equipment and new technology are the main things needed in the reconstruction of the economies of Eastern Europe. Past reforms always stopped where the political power of the Party was threatened.

"There is no elementary basis for

a market economy in the East. There are also lots of studies of how to move from a market to a planned economy, but none that looks at it the other way round."

Things may have to get worse so as to force the old officialdom from its fastness. Jan Zurek, an economic consultant and co-founder of Vosta-rek's association, has just been appointed to KPMG Peat Marwick McLintock's office in Prague. He says: "Wait. That's the main

advice I would give to people want-ing to invest in Czechoslovakia. They will be disappointed if they come in now. The whole of our society has first got to understand what this market economy is.

Bottom-up pressure from frus-trated would-be entrepreneurs is seen as an important spur.

BUSINESS OPPORTUNITIES

ATTENTION EUROPEAN BUSINESSES Europa 1992, the monthly American Business Report on Europe, is now accepting complimentary advertising for our new business opportunities section premiering in the August issue. Europa 1992. is read by over 30,000 American Business leaders who are the decision makers in their companies. We urge European companies

- to respond immediately if they desire: (1) U.S. joint venture partners
 - (2) U.S. business partners (3) Acquisition of U.S. business
 - (4) Sale of own business to U.S. concerns

Advertising will be accepted on a first come/first serve basis until the section is filled. Please send ad copy or direct inquiries to: Europa 1992, Wolfe Publishing, Inc., Post Office Box 7599, South Station, Nashua. NH 03060, USA. Tel: (603) 888-0338. Fax: (603) 888-5816.

SHEET ROOFING PRODUCTS FOR EXPORT

PROFILED STEEL AND ALUMINIUM TILE EFFECT AND TRAPEZODIAL PROFILES In conjunction with our Swedish partner -

we welcome enquiries for above product types Contact: Link Build Products Ltd Harleyford Estate Bucks SL7 2DX

Tel: 0628 475500 Fax: 0628 890487 All export transactions by ILOC

U.K. and treland

MASTER FRANCHISES Sophisticated Quality Fast Food | 2.Quality Yogurt Franchiser, Expending Franchise From Well Established | Worldwide Offer Master Franchise Opportunites in U.K. and Ireland

E.C. Counties E.C. Countries Must be substantial Eastern Europe I Investment Minimum \$250,000 tment: \$1.000,000 3. Mester Franschise Opportunities available throughout EC

80 U.S. Franchisors- specify preferred area of activity and territory sought. Detaile From John Fizigerald B.L., B.C.L., A.M.B.L.M., F.P.C.S 01, 0, 353 - 21 - 963677 01, 0, 353 - 21 - 310273

Chief Executive Officer

of privately held expanding company in the United States is seeking financial partner for joint venture. Must be financially strong and able to withstand no return for 24 months. Significant return from growth probable in 36 months

Will be in London July 11th - 15th for details and personal meeting.

Write to David Ostfeld, Esq.: 1400 Citicorp Center; 1200 Smith Street, Houston, Texas 77002 or call

PROPERTY COMPANY - DERBYSHIRE SEEKS **EQUITY FINANCE**

This established portfolio will be realised within 5 years. Genuine reason for current sale. Units of £50,000 available. Contact: Geoff Coppenhall or Ken Abbott, Fintax (Corporate Finance) Limited, Suite 112, Sunlight House, Quay Street, Manche Fax: 061 833 0752

EBENTURE SEATS FOR SALECARDII artist Park (50 years) best seets Tel (0222/ 709637)after 6.00 pm.

for Expansion? Go 01-748-9020.

PROVINCIAL FINANCE COMPANY

£2.0 Million + outstanding book. First class management and staff seeks equity partner to provide equity stake/long term loan to enable company to achieve short/medium term expansion/profitability. Ultimate objective of floating company of U.B.M.

Established Northern based property developer

with a number of exciting office and industrial/ warehouse schemes, seeks

substantial partner or funding source. Interested parties

should apply for further details to Box F9869, Financial Times. One Southwark Bridge, London SE1 9HL

GOLF DRIVING RANGE (Planning permission granted)

PLUS Health & Leisure Club (37,000 sq. ft. built)

London SE12 £1,95M P. MORRIS 071-724 3361

WE ARE **LOOKING FOR**

3 hard working entrapreneurs to help us expend a fast moving new business in the U.K. and then into Germany Contact...Alister Bredee Chase Marketing, 081-968-8633.

FAX PAPER FOR SALE

Leading U.S. converter has available 8,000 cartons - 6 rolls per carton - lapanese high sensitivity - sizes 100-50+30m - F.O.B port destination - excellent pricing. Yelephone number 201-327-7500 Fax 201 327 3616 Charles Martin

Principals only apply. Write Box F9854, Financial Times, One Southwark Bridge, London SE1 9HL

UNSECURED COMMERCIAL FINANCE

FIRANCE LIMITED are able to offer professionally memaged UNECURED finance for trade (minimum 275,000) to good quality commental applicants. Our reputable service is indeed to your reads and is designed to complement your existing benking facilities, not replace

> information, inlephone Paul Newton ACA or Ruth Leach on 961 852 8484 or write to them at: FINANCE (LIMITED 8 Bt John Street Manches M3 4DU

crosslink international

WARSAW BUDAPEST LONDON MADRID NEW YORK VASHINGTON D.C LOS ANGELES SAN FRANCISCO Felly femished, first class securistic support services

Tal: Lundon +44 21 207 3099 USA 102 500 200 776 8350

COMMUNICATIONS GROUP

We are a large enter organisation, specialising in corporate videos and presentation work. We would like to talk to of large F.M.C.G. groups (or rimilar) with a view to a unique consultancy role.

Please write to:

Tony Coggans (M.D.) 24 Denmark Street London WCZH SNJ

SIERRA LEONE

Blocked Funds? Leones wanted - UK Company wishes to purchase - settlement London/New York. Strict confidentiality assured. Send full details to Box F9777, Financial Times, One Southwark Bridge, LONDON. SEI 9HL

Short term finance for long term growth. Working capital finance for stock and work in progress. For details contact M. Prizant

Churchill House, 2 Eaton Gate, Belgravia, London SW1W 9BL 071-730 8428

CORPORATE HOSPITALITY ment throughout South of England seeks

equity investment.

Blue-chip client best.

Excellent relationships with prestigious Write Hex F990, Financial Tines, One Swatzenth Bridge, Lemies SE1 9HIL

S.W.FLORIDA

Investors/Partners Small & Large Building Developments

Flameterm Limited 0442 51955

U.S.A. Company with UK interests seeks aquisitions and joint ventures in the U.K. and Europe. All replies treated in confidence. Replies: (Ref 1992). Raydyot Lid Waterfull Lane, Cradley Heath, West Midlands. England B64 6QB

ENGLISH ONE-TO-ONE Superb British English teacher with record of success offers below-made individual courses idon for busy pro Maximum progre

For brochure write Box H6415, Financial Times, One Southwerk Bridge, London SE1 9HL

STEEL Manufacturers Agent, Midland based U.K. 25 years experience wishes to act as agent for British or European manufacturers of steel wire, sheet, plate, sections etc.

John Remington, 4 Malvern View, Clerkonicap, Worcester, WR5 3HR Tel: 0905 821195 Fax: 0905 821195

Representation USA Englishman (Gorman speaking) resident in Minneapolis seeks connection with UK/European Company, Aircraft Ind, Draughtsman, Publishing, PR, Mature businessmen with excellent UK credentials. Mature bus Tel: 0544 230298 0101 612 593 0341

MARKET LEADER Leisure Product for sale, Would suit ENGINEERING CO. with 4 Slide &

science parks.

istra for the purpose.

The foundation stone for Yugo

slavia's first BIC was laid earlier this month when the OECD's

Trieste conference moved to Capod-

alised way to foster small business growth. Similar types of managed premises with centralised support

services and ready advice have also proved successful in Britain, but

they can only cater for a minority of small companies.

Significantly, perhaps, among the papers most in demand by east Europeans at the OECD conferences

to copy back home were those on the history and workings of the

UK's enterprise agencies.

Their prime purpose is busines

counselling for small businesses although many also run other ser-vices, such as incubator units and

venture capital funds. Simple advice at the "how to do

it" level is what seems to be needed most, along with freedom from bureaucracy and access to working

capital.

Poland has just formed a Bank of

Social and Economic Initiatives, with support from French banks, to ddress this latter problem. Pawel Wyczanski, who has joined

it from the National Bank of Poland, says: We need trained peo-ple from enterprise agencies. We need advice from people who have

"We are having to learn how to

es as well as to enterprises which can employ more people. The UK example of enterprise agencies

assess risk among 'unbankable' peo-

ple. The bank's main role will be to

give extended credits to new busi-

The need for speed and know-how is stressed by Jan Bielecki, newly elected to Szczecin's city council. "People are disappointed because they expected Solidarity to take

dards of living. How do we convince them we are right to foster entre-preneurable, training and small businesses, instead of giving every-one pay rises?" he asks.

"People felt safer in old-style, hig

state companies run the old way. Self-employment is not all that peo-

ple need. We need support in busi-

ness planning and financial man-

Pal Reti, of the World Economy

Weekly, which is published in

Budapest, says that caution is also

ite steps to improve stan-

is very important to us."

done it.

BICs, however, are an institution-

50 Ton Press. 82K + Stock + Koyaity Write Box F9862, Financial Times, One Southwark Bridge, London SE1 9HL

MEDICAL

Substantial resource/partner/ investor required for patented capital equipment range selling into healthcare sector. ous potential for UE
and export. (act: Paul Storer - Price Balley -Harley - Fax 0279 635631

VENTURE CAPITAL lagio Foreiga Finnace cua provid flexible funding for expe company reserves and start ups. An answer to your funding airements within two weeks. Please call in confidence

on 0222-225418

FINANCIAL CONSULTANCY Enterprising, young Finance Director (chartered accountant) offers expertise to companies with real growth potential. Capital Write Bax F9859, Fla.

> EAST ANGLIAN WINE MERCHANT WANTS TO BUY VINTAGE PORT & CLARET TELEPHONE RICHARD HARVEY-JONES 0473 626072 FAX 0473 626004

MORTGAGES ommercial & Industrial Properties ine rates \$/10 years. Interest only. Minimum loan £300,000. Apply to: Burepe's leading Finance Countinue
Burepe's leading Finance Services) LTD
Finance Street, Wi 15 Barkeley Street, W Tel: 071-629 5851 Fast 071-4

COMMERCIAL LOANS

5-year capped rates from 9.5% minimum loan £1 million - maximum LTV 80%. unercial Company of Wester Ltd (0962) \$42727

COMMING CAPITAL AND substantial informa-tional marketing resources required. To promote new Ladden' Tolletry Product Plastics, disposable less. Niche market Deelgn resgistered, int. Pat. April Bos 7965, Financial Time. One Southerers Bridge, Losson &E1 SHL

COMPLIENT SYSTEMS FOR QPs Software Company with developed/installed systems to meet provisions of NEW GON-TRACT for Doctors' practices, eachs collaboration with individuals / Companies able to penetrate this nellowide merhet Would consider sales agreement, John verture or cutright sale. Please with to Box Floss, Finencial Times. One Southwark Bridge, London SE1 SHL.

MANUFACTURING CAPACITY NEEDED ated parties with to Box No. 17965

Solar Energy Patents And proven products for sale on a world wide basis due to conflicting interest of product range.

Principals only who have technical
and marketing expertise to exploit
this opportunity. Write Box F9866, Financial Tieses, One Southwark Bridge, London SE1

BUSINESS SERVICES

EXPANDING We provide the complete professional design and

construction service for office, commercial and industrial developments throughout the UK. Fixed Programme - Fixed Costs For more information contact Ian Woosey

PENTINGON DESIGN - ENGINEERING - CONSTRUCTION Tof: 0732 63311

SHORT - TERM FINANCE FOR BUSINESS GROWTH Finance for Stock/Import/Working Capital. Letter of Credit Facility.

For details write box H6261, Pinancial Times, One Southwark Bridge, London SE1 9HL.

CORPORATE COMMUNICATIONS TROUBLESHOOTING Poscher turned gamekeeper. Experienced writer/account director offers confidential management/creative consultancy. Can analyse and report on existing PR/advertising arrangement develop new briefs, help select suppliers, write and commission

corporate material etc. Tel for details: 081 749 6013 weekslays 0895 C44 624 weekends

RENT REVIEW PROBLEMS? Specialist Negotiators **SWIRE**

ASSOCIATES 081 943 1041

Leading recruitment company in specialist sector seeks equity injection for expansion (Circa £250K). First class reputation, good growth record. A market leader in sector. Principals only in writing. Box F9864, Financial Times One Southwark Bridge, Lendon SE1 9HL

EQUITY INJECTION

SOUGHT

BUSINESSES FOR SALE

Cranleigh Clark Ltd

The assets of an Oxfordshire based business distributing and installing swimming pools and attied equipment are offered for sale:

Above and below ground pools.

Wholesale and retail markets.

 Established goodwill and dealer network. Last annual turnover £550,000. Leasehold premises 11,000 sq. ft., Abingdon.

 Large stockholding. Enquiries to SRE Hancock Esq FCA, Joint Administrative Receiver, Price Waterhouse, Livery House, 169 Edmund Street, Birmingham 83 2JB.

Tel: 021 200 3000. Fax: 021-200 2902. Price Waterhouse



Touche

Worked the Western Co. 2014 April 1924 April

STREET, STREET

an Europe de la communicación de la communicac

development and an order

Meded ...

A PATE LANGE SERVICE

14! Oracle Emple:

entiations;

sore giocar and a series consiste for English that the consistency for the consistency

Solutions of the solution of the country of the solution of the country of the solution of the

083 C. 22-4-61 G.P.

MATERI TO 2

00e :ha: 005:

Para in Sai emai

om og Calcal

Zures in emiliare de la constante de la consta

FMO Per Mark

ne in later

新田 お 大学学生

in Crockering

129 Lin Lin 7 1 3

SO PLOSITION OF MARKET AND TO MARKET AND TO

installe inc 5

g en großeitelen.

FACTO PRINT १ क्षेत्रका नद्यक्तः वेदनः केत्र श**्राक्ति** Service of the service THE PARTY LAND Francisco Santa Contra

34.15

t i GB

J. 78.

i bi.dinom

عين بمعدي يو

the states

THE PARTY OF THE P

· LOCAL TER

Tate 2" 72 527"

اين ويجالك

eranı səzə

OF INT

Tarbert Fyne Foods Limited

Processor of smoked salmon and fish based, chilled, value added products.

The Receiver offers for sale the business and assets of a processor of smoked salmon.

10,000 sq ft factory - leasehold.

1 1,000 sq ft office - lessehold.

☐ Prime "M74" site at Motherwell Food Park, Bellshill, Strathclyde. ☐ Smoking capacity 11 tonnes a week.

☐ Modern factory, fixtures & fittings and computer controlled equipment.

☐ Supplier to major UK retailers.

☐ Member of Scottish Salmon Smokers Association.

☐ Thimover for 1989 - £700,000. Thimover capacity £10m. For further information please contact Robin Wilson or Graham Martin at

39 St Vincent Place, Glasgow G1 2QQ. Tel: 041 204 2800. Fax: 041 221 1864. Authorized to carry on investment Bustness by the fasticute of Chancered Accountants in England and Wales.

LEONARD CURTIS

BY ORDER OF THE ADMINISTRATIVE RECEIVER STEPHEN D SWADEN FCA

IN THE MATTER OF

THE PLAYBACK STUDIO LIMITED

Offers are invited for the assets and goodwill of a leading distributor of magnetic media (recording, video and computer tape and disc). There are attractive leasehold premises in London W1, which comprise a retail shop and adjoining offices. Total sales in the last financial year were in excess of £1 m. There is a

> For further information please contact: Isonard Curits & Co, Chartered Accountants, 30 Eastbourne Terrace, London W2 6LF Tel: 071-262 7700 Fax 071-723 6059

solid austomer base for the wholesale division and a small amount of export sales.

REF: DM/4

(IN RECEIVERSHIP)

The Administrative Receiver offers for sale: Stock-in-Trade: Consisting of wholly milled kernel Pakistan Basmati Fice 40,000 kgs packed in 1600 bags and currently lying in bonded watehouse.

For further information please contact the Administrative Receiver Mr S K Single FCA SINGLA'& COMPANY

49 Queen Victoria Street London EC4A 4SA Phone 071-236 2184 Fax 071-236 4944

MAGAZINES FOR SALE

Well established and highly regarded specialist consumer title. ABC over 100,000. Profitable but potential even greater. Turnover 700K. Home interest title established 10 years. Turnover 300K. Very profitable. For further details please contact.

H6427, Financial Times, One Southwark Bridge, London SE1 9HL.

HAIRDRESSING & BEAUTY CLINIC FOR SALE Fabulous location in West

End on major thoroughfare near Leicester Square Station. PRICE - £110,000 TEL: 681 767 1272 Mr J Weber

<u>26 fine</u> provincial hotels

available for individual or group purchase

The Grand Metropolitan Estates 'Hotel Portfolio' comprises 26 fine English provincial hotels. Individual in character. each offers a rare opporumity to build upon

established business success. Of interest to both

corporate investors and entrepreneurs.

For details contact Chris Day, Corporate & Acquisition Director, Christie & Co., 50 Victoria Street, London SW1 0NW Telephone: 071-799 2121. Alternatively, contact your nearest Christie & Co regional office.

THE GRAND METROPOLITAN ESTATES — Hotel Portfolio –

Yeoman Products Limited and Snapline Limited

(IN RECEIVERSHIP)

J. Lewis and C. M. Clapp, the Joint Administrative Receivers, offer for sale as going concerns the business and assets of the above companies.

Yeoman Products Limited

Industrial sewing specialists

 Manufacturers and distributors of windsurfer sails Makers of event tents and awnings

 Unique modular tent design Turnover c. £300k p.a.

 6,000 sq.ft. leasehold premises adj. M5 nr. Bristol Diverse customer base.

Sampline Limited trading as Yeoman Saihmakers and Riggers

Sail loft and riggers
 2,000 sq.ft. prime site leasehold premises adj. to large

marina in Bristol

 Computer-aided sail design facility Agencies for several sail companies Turnover c. £100k p.a.

For further details, contact Jack Lewis or Andrew Sheridan, Ernst & Young, One Bridewell Street, Bristol BS1 2AA. Tel: 0272 290808. Fax: 0272 260162.

Ernst & Young

The Dialatron Group

The Joint Administrative Receivers, N. R. Lyle and D. L. Morgan, offer for sale the business and assets of this

major group of companies whose business is the importation and distribution of telephone equipment: Dialatron Group Plc Dialatron Limited

Dialatron Designs Limited Dialatron International Limited

* Annual turnover to 30 June 1989 of £13,000,000

* Blue chip customer base

* Significant percentage of the UK telephone market

* Leasehold premises in Crawley * Freehold premises in Whitstable, Kent

For further information please contact Mr J R D Smith at Spicer & Oppenheim & Partners, Friary Court, 65 Crutched Friars, London EC3N 2NP. Telephone: 071-480 7766. Fax: 071-480 6881.



SPICER & OPPENHEIM & PARTNERS

A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

Smith & Williamson

or Management · Pensions & Life Assurance · Accounting · Auditing

For Sale as Going Concerns THREE WELL ESTABLISHED **COMPANIES**

The companies are involved in sheepskin tannery and manufacture.

★ Turnover £2.5m.

* Two separate freehold sites in South West England (a total of 7.5 acres).

★ Stock £450k.

★ Fully up-to-date plant and machinery with a book value of £350k.

★ Forward order book of £600k. * Significant European trade.

★ Experienced and trained workforce.

For details, contact Peter Yeldon or Peter Mills at the offices of Smith & Williamson, No. 1 Riding House Street, London W1A 3AS. Telephone: 071-637-5377. Fax: 071-323-5683. Teles: 25187.

Smith & Williamson, Chartered Accountants Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business

Smith & Williamson Securities Authorised institution under Banking Act 1987. Member of IMRO. Member of the British Merchant Banking and Securities Houses Association

ELECTRONIC SYSTEMS FOR PIG FEEDING sets and goodwill for sale because of company reorganisation o kabilities to incur

Plastir relocatable
 Market leader with current order book £250K
 Market leader with current order book £250K
 OLutest interostional systems combining advantages of: reduced management time
 Lower feed and building costs
 Improved sow welfare
 Improved Management information and control
 Price £200K

COMPUTER SYSTEMS HOUSE ESTABLISHED 10 YEARS

Specialising in Financial systems. We are looking for majority sale (would consider outright sale) to the right partner who can offer additional marketing/distribution skills so as to realise our product

Write to box H6418, Financial Times, One Southwark Bridge, London SE! 941L

MILK PROCESSING AND RETAILING BUSINESS

Based in South West England. Turnover £1.5 million, operating profit £138,000. Average daily output 2,000 gallons. In excess of 10k customers. Modern processing equipment. Premises (for lease) comprising processing hall, cold stores, ample parking, office approx. 1,700 sq.ft. Established 35 years.

Contact Parker Builen (Ref: RGM), 45 Castle Street, Salisbury, Wiltz, SP1 388.

FOR SALE IN WEST GERMANY

Sales DM 30 m, 280 employees. Sale of additional subsidiaries active in concrete (ready mixed & precast) & building materials market negotiable with same

TRANSCAPITAL BROKERS Fax: 02932/37800

UNIQUE OPPORTUNITY

A rest home registered for 24 in Lincol-nshire is being offered at a substantial discount due to financial difficulties, Independent valuation 1590,000. Offered at £365,000. No offers please. Genuine parties are invited to apply with bank-ers/sollicitors details for reference purposes. No agents please.

Write to box H6421, Financial Times. One Southwark Bridg London SEI 9HL.

ABTA TRAVEL AGENCY FOR SALE NORTH LONDON

This agency has been trading successfully for 9 years.
Current T/O approx 600K.
offered as a going concern
including all appropriate operation equipment Write to box H6423, Financial Times, One Southwark Bridge, London SE1 9HL

FOR SALE

Specialist aluminium wall and roofing contractor based in North West. Budgeted turnover of £3m + on contracts
throughout England. Sale due to
eventual retirement plans of
principal shareholder/director. For Further Information Write Box H6412, Financial Times, One Southwar Bridge, London SE1 9HL

Brown Group International PLC

The Joint Administrative Receivers of Brown Group International PLC and various of its subsidiaries offer the following businesses for sale as going concerns:



CAPITAL AIRLINES LIMITED Receivers: R H Oldfield and A J Richmond

- * 14 Domestic and near European
- scheduled routes * 6 Shorts 360-300 aircraft
- * 2 BAe 146-200 aircraft
- * Monthly carrying c.50,000 * Centralised UK base Leeds/Bradford

Contact: Tony Richmond KPMG Peat Marwick McLintock City Square House, 7 Wellington Street, Leeds LS1 4DW Telephone: 0532 450331 Fax: 0532 424377



NORTHAIR AVIATION LIMITED Receivers: R H Oldfield and A J Richmond

Repair and servicing hangar

* Maintenance capability for Shorts and Cessna

* Cessna sales and service centre * 120 Employees * Full avionics department

Contact: Tony Richmond KPMG Peat Marwick McLintock City Square House, 7 Wellington Street, Leeds LS1 4DW Telephone: 0532 450331 Fax: 0532 424377



BROWN ENGINEERING LIMITED

Receivers: R H Oldfield and M A Halley Manufacturer of Parker asphalt

plant, quarry plant and crushers

* Forecast turnover to October 1990

£47 million * 630 employees

* Freehold factory site, 17 acres, Leicester Contact: Roger Oldfield KPMG Peat Marwick McLintock
20 Farringdon Street, London EC4A 4PP

Telephone: 071 236 8000 Fax: 071 248 1790

FRED BROWN (NORWOOD) LIMITED

Receivers: C T E Hayward and R H Oldfield

- Well established heavy haulage company * Turnover in excess of £2 million
- * 20 tractor units
- * 15 heavy low loaders
- * Fleet of flat trailers and tippers * 40 employees

Contact: Martin Shaw KPMG Peat Marwick McLintock City Square House, 7 Wellington Street, Leeds LS1 4DW Telephone: 0532 450331 Fax: 0532 424377

BROWN CRUSHER

Receivers: R H Oldfield and M A Halley

HIRE LIMITED

Contract crushing and crusher hire

- * Turnover £4.7 million
- * 68 employees Market leader

Contact: Myles Halley KPMG Peat Marwick McLintock Arlen House, Salisbury Road, Leicester LE1 7QB Telephone: 0533 471122 Fax: 0533 547626



EQUIPMENT LIMITED Receivers: R H Oldfield and M A Shaw

BROWN ANGLO SCAN

Sales and service of heavy duty construction equipment

- * Turnover in excess of £54 million
- * 9 depots nationwide
- * 280 employees * Large plant rental fleet

 Valuable exclusive dealerships Contact: Martin Shaw
KPMG Peat Marwick McLintock
City Square House, 7 Wellington Street, Leeds LS1 4DW

Telephone: 0532 450331 Fax: 0532 424377

KPING Peat Marwick Corporate Recovery

e and والمنطق المتعاولة

P. J. S. Bar.

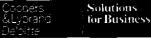
47

distance of the second seconds.

- Manufacturer and retailer of exclusive ladies
- Long-established and internationally renowned brand name
- Prestigious clientèle
- Prime retail locations Freehold premises
- For further information please contact: Vir Lakshman or Sam Small on 071 882 4952. Alternatively, please write quoting ret: HGH/G10 to:

Coopers & Lybrand Delotite PO 8ox 198

London EC4M 7PL



Electrical Wholesaler

For sule as a going concern the basiness and assets of Mitchshaw (Electrical Wholesalers) Limited (In Administration)

- Established distributor of a wide range of electrical products to the trade and general public.
- ■The business operates from seven leasehold branches strategically located throughout England plus extensive mail order distribution.
- Turnover for the year ended 31st December 1989
- ■The company presently has 28 employees.

ROBSON RHODES

·Centre City Tower, 7 Hill Street, Birminghom B5 4UU Telephone; 021-643 1936 Fox: 021-643 4993

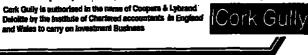
John F Powell and Stephan J Taylor Joint Administrative Receivers offer for sale the business and assets of

Tropical Foods (Leicester) Limitet:

Opportunity to accuire the business and assets of an established food based cash and carry warehouse based in Leicester

- Turnover approximately \$25m per annum Freehold property of approximate near to Leicester City Centre nately 66,000 sq ft
- English and Asian divisions Assets for sale are treehold property and stock

Please contact Bob Bailey, Cork Gully, Abacus House, 32 Friar Lane, Leicester, LE1 5RA Telaphone: (0533) 622338 Facsimile: (0533) 536929



FOR SALE PUBLIC HOUSE & RESTAURANT

BROADBOTTOM NR. GLOSSOP Recently refurbished • Full on license

•Restaurant for 72 covers •Long leasehold ·Managers accommodation •Popular location

Grimley JR Eve ref: ADR 061-834 7187

PUBLIC COMPANIES FOR SALE

First European Credit plc European Finance Corporation plc ECV Investment Corporation ple First European Mortgage Corporation ple (Or your choice of mame & objects) Authorised Capital £1,000,000 Trading Certificate for Immediate Borrowing & Trading

CORPORATE REGISTRARS Tel: 0222 382115 Fax: 0222 382115

MANAGEMENT COURSES

DC GARDNER & CO. LIMITED

INTERNATIONAL BANKING WORKSHOP

6 - 24 August 1990

more familiar with international financial products. Case studies, roleplay exercises and computer simulation form an integral part of the course.

Course Outline

Week 1 - Corporate Credit & Risk Analysis International Capital Markets Risk Management Techniques Week 3 International Trade Finance (2 days)

Attend the Full Programme or Separate Modules

For further information contact: Alastair Graham, DC Gardner & Co. Ltd., Chewton Place.

Chewton Road, Keynsham, Avon BS18 2SX

BROWN ENGINEERING (HYMAC) LIMITED - In Administrative Receivership

> The Administrative Receiver offers for sale as a going concern the business assets and undertaking of the company located at Walzall, West Midlands

Manufacturers of complete range of 'Hymne' hydraulic excavators and 'Moxy' site dumper:

6.75 acre leasthold site with convenient access to motorway at

Tumover for the year ended 31 October 1989 - £14 million Highly skilled workforce - 150 cmployees

Philip Long or Paul Ashworth Pannell Kerr Forster vereign House Deen Street

Manchester M2 5HR Telephone: 061 832 5481

KERR 061 839 3655 **FORSTER** Authorised by the Institute of Channel Account in England and Wales to carry on investment by

COMPANY WITH WORLDWIDE MANUFACTURING AND MARKETING RIGHTS For a sophisticated vending machine that automatically vends video films for rental

British menufacture Several hundred stready distributed New unless models shout to be latinched

Write Box No. H6431 Financial Times, One Southwark Bridge, London SE1 9Hit.

Country House Property

in S.E. Staffordshire with existing nine hole golf course and permission for 120 bedroom hotel extension and 80 chalets in grounds. Also land to extend to two eighteen hole golf courses. Ideally located to serve new Toyota plant.

Full details from Systemrun Ltd. Kensington House, Suffolk Street, Birmingham.

Tel: 021 643 4577. Fax: 021 643 0067.

DIVERCO Sell Companies

SELLERS and BUYERS Contact in confidence DIVERCO LTD. 4 Benk Street, Worcester WR1 2EW, Tet: 0905 22303

BUSINESS CENTRE

FOR SALE

7000 sq ft.

FOR SALE

FREEHOLD **BUSINESS CENTRE**

5750 SQ.FT. MIDDLESEX

Presently occupied by a

number of companies

on short-term licences,

producing £150,000 p.a.

exclusive of service

charges. Offers in excess

Please write to Box H6422,

Financial Thues, Our Southwark Bridge, Landon SE1 9HL

FOR SALE

COMPANY AUTHORISED BY SIB

CATEGORY 2, only nominal

Write Box H6416, Floancial Times, One Southwark Bridge, London SEI 9HL

OFFICE

EQUIPMENTS

INT. BROKERS IN

RECEIVERSHIP

VERY LARGE QUANTITY

of high quality office

furniture less than 18

months old. Light oak &

Grey desks all sizes, 8

Boardroom sets, 6 Rosewood executive suites.

plus various othe famiture.

Phone: 081 549 9339

BUSINESS

WANTED

A newly established company

with strong multi-national

connections desires to purchas

a UK based publisher with

distribution network and would

also like to retain existing staff and management

Reply in the first instance to - Peser Munday, Mundays, The Belbourne, 103 High Street, Esher, Surrey KT10 9QE.

Tel. No. 0372 67272

Fax No. 0372 63782

BUSINESS

SERVICES

FRANKFURT

Your address or office at first

class business district location.

Short or long term. Dedicated

Full service. Best contacts.

ACCESS

Business Services GmbH Tel. +49+69+75 60 06 77 Fax. +49+69+74 64 36

LEASING or

FINANCE

ohone line(s).

ntial to further expand its

of £1 million.

trading to date.

rpshire - profitable centre in erbly refurbished Victorian warehouse. Net lettable

PANNELL

SUCCESSFUL MERGER AND ACQUISITION CONSULTANCY

with blue chip client base.

Nationwide

SUCCESSFUL MERGER AND ACQUISITION CONSULTANCY For Sale Excellent mandate

with blue chip client base. rincipals only please. Box No. H6417, Financial Times, One Southwark Bridge, London SR1 9HL

> TRAVEL Tour operator to the Channel Islands

for sale price £3.3 million Write to box H6429, Financial Times. London SEI 9HL

FOR SALE

Private licensed mine in West Wales area. Anthracite coal 120,000 tonnes in

cipels only to write to Box H6419, nancial Times, One Southwark Bridge, London SE1 9HL

Нопп BRIGHTON SLAFRONT FREEHOLD £795,000

OR NEAREST OFFER A 17 bedroom Hotel and conterence facility, ideal location, recently fully returbished and current chartered valuation report exceeds the asking price.

For further details call Mark Goldberg on 081 46-16655during normal working hours or on 081/290 6209 weekends/

International Banking Consultants

This Residential Workshop is to be held at the DC Gardner Group training centre. Chewton Place, near Bath. It has been designed to meet the practical requirements of bankers who need to become

(5 dzys) (2 days) (3 days)

Developing Corporate Business

Cost for each full week £1275.00. (Exclusive of VAT) Includes all tuition, 5 nights ensuite accommodation and meals.

Tel: (0272) 863105 Fax: (0272) 865948 Teles: 947805 DCGARD G

Please send me details of the International Banking Workshop 6-24 August 1990

I am interested in attending Week 1
Week 2
Week 3
the full programme

Short or mid term available
Butinest move?
We can offer a complete
refurbishment package.
From construction
to finance & leasing Contact Colin Nolan on 081 851 7555



SPECIALIST NATIONAL HAULAGE CONTRACTOR

Based in outer London with Midlands depot and sub-depots. Excellent long-term contracts, Turnover 17 million p.a.

Mergers & Acquisitions

Contact: Robert Webb LOWNDES LTD 3 CHESHAM STREET LONDON SWIX 8ND TELEPHONE 071-823 2080

PACKAGING COMPANIES

We represent a sound distributor of packaging materials based in the London area seeking to expand its business by acquiring a manufacturer of corrugated/rigid boxes or a complementary distributor of packaging materials

All responses will be treated in the strictest confidence. If you would like to know the identity of our client before providing any details please do not hesitate to telephone Michael Allen on 071-930 1010

Ansbecher Media Limited 103/105 Jermyn Street London SWIY 6EE

FOR SALE FITNESS AND BEAUTY CLUB PRIME CENTRAL LONDON LOCATION

Established club, recently refurbished.

Key facilities include:

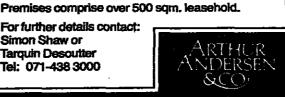
- Swimming pool/whirpool
- Sauna
- Sunbeds/solarium

Dance/exercise floor

Well equipped multigym/free weights

Beauty rooms Soft drinks bar

For further details contact: Simon Shaw or Tarquin Descutter Tel: 071-438 3000



FOR SALE RECRUITMENT AGENCY

Involved in active niche market with good overseas earnings, this company has a turnover of around one million pounds and profits (after directors remuneration of £131,000). Information will be sent to principals only who should be in a position to purchase either by cash or quoted shares. Price: £750,000

Write to box H6432, Financial Times, One Southwark Bridge, London SEI 9HL.

FOR SALE SPECIALIST FABRICATORS

Small family company in the Black Country -

● Tanover £250,000 Registered Trademark available
 Certificates of Government Approval for specialist work
 Company owns its own Freshold available to sell or to rent
 Small existing skilled labour force available.

FURTHER INFORMATION AVAILABLE FROM:

D.J. C. Johnson FCA Stanley C. Johnson & Son Charters

Tel: (9384) 395380 Fax: (9384) 440468 HEAD LEASE, MAYFAIR

FOR SALE Prestigious furnished offices po

For purchase of whole or purt principals only write to Box No. H6423, Financial Times, One Southwark Bridge, London SE2 9811.

USED MACHINE TOOLS, Power Presson & Geer Machinery etc. Can be customised it required. Machine Tools International Ltd, Anglia House, 32 Rowers Cresent, London SW11 29T. Tel: 071-223-9623 Fax: 1971-924-2550 Tix: 5953668

Industrial **Finishing**

Herts based company specialising in powder & plastic coating of metal products. Well equipped. T/O £380,000. Price . £150,000.

Lakey & Co (0394) 273371

The Joint Administrative Receivers offer for sale the business and assets of J. F. Riley (Builders)

Limited trading as Riley Homes

Based in Barnstaple, North Devon 2.75 acre freehold residential development site

with planning permission (Northam)

1.4 acre ireehold residential development site (partly built) with planning permission (Northam) 13 vacant building plots with planning pennis on existing development (Near Holsworthy)

Manor house and barns with 17 acres with planning permission (Near Braunton) For further information please contact: A.M. Grove and N. J. Vooght of Cork Gully, Mayflower House, 178-184 Armada Way,

Plymouth, PL1 1LD. Tel: 0752 666888 Fax: 0752 604108. Cork Gully is authorized in the name of Coopers & Lybrand Debitts by the logitude of Chartered accountants. In England and Males to curve on Investment Business lCork Gully

> FRANCE TEMP AGENCY FOR SALE **HEAD OFFICE IN PARIS** 4 Branch offices in the rest of France

38-Rue De Villiers 92300 Levallois Perret FRANCE Reference number: 206

For futher information write

MGC

OIL AND GAS INDUSTRY This is a profitable and expanding

Average annual turnover £3 million

company supplying process equipment to the

oil and gas industry.

Well established reputation North sea and worldwide customer base

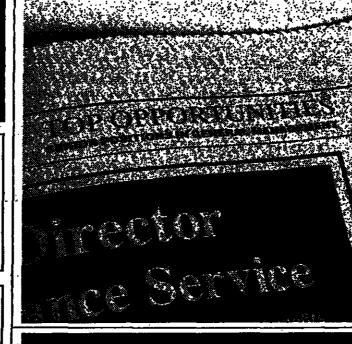
Good asset base and cash generation Excellent forward order book

For further details please contact Jason Cross, Grant Thornton, Grant Thornton House, Euston Square, London, NW1 2EP.

TODAY'S OPPORTUNITIES ARE TOMORROW'S

APPOPULMENTS

See the Top Opportunities page in Friday's FT.



World Aerospace and Air Transport to the Year 2000 and Beyond

28, 29 & 30 August, 1990 London

immediately prior to the Farnborough Air Show. Speakers include: "Bernard Attali.... Frederick W Bradley...

The Financial Times bienniel conference will be held

. Maurice Delahais.. Michael Donne, obe... ..Sir Barry Daxbury, KCB, CBE....

"Syd Gillibrand.. Louis F Harrington.... .Ronald Howard.. Stuart Iddles....

"Lee Kapor.. Lim Chin Beng....

..Chris Longridge.... Sir Colin Marshall.... .Henri Martre .. Stewart Miller....

"Karl-Heinz Neumeister....

..Sir Norman Payne, CBE Wolfgang Philipp.... Hugh Pope.... "Sir Ralph Robins.. Christer Skogsborg..

. Jerzy Slowinski.. Christopher Tugendhat. . Karel Van Miert.. Arthur E Wegner....

.. Robert A Wohl.... Bernard Ziegler....



For information please return this advertisement, together with your business card, to: Financial Times Conference Organisation 126 Jermyn Street, London SW1Y 4UJ Altematively, Telephone: 071-925 2323 Telex: 27347 FTCONF G Fax: 071-925 2125

Statement Care The state of the s # 145 C.75 -5 PIFES CO. Trans. S. de tra estada es water terat. desir and 135 SEUST. संकारिक विकास विकास A PART CONTRACTOR

Menco

of Charles

ن تانين المحدد

Comments of the second

11 mm 2 mm 2 mm

20 TO THE TOTAL STREET

A Transport

2012. 65 G.C. केंद्र प्रशासनी की वे केंद्र प्रशासनी की क्षेत्रकों See E 3 f seler areass of ಕ್ಷಕ್ಷಣ್ಣ ಚಿತ್ರಗಳನ್ನು Minutaled, Bolland in innatic weak needs ent d'his maket pe tib e pointing al Antonio d'o ಮಾಡದ ಕವಾಣಿ ಸಾರ

in with the state of especial the presence pan criterius ilis have ferried of d its marve loss Paipes Lai piaraly Writed Cognition de la constant de la The particular of a 1 and 1 an e mi voca: elegation

and for passages part by and larger miralarly evidence. a bindared to this pen-recital record. grands and in BET REED ESTE in include "NO. 12

thick in any case A lamber of the contract of th m in). Budiger है करते हैं करते हैं है है The water to

Max Loppert 5 HYING OI

1

No F ^{Mo} problem A Section of the sect A COLUMN TO THE REAL PROPERTY OF THE PARTY O

the party states with to the political is the first than the political is the political in the p

Total printers, see in pass of John (03)

Idomeneo COVENT GARDEN

The latest period style opera offering of the English Bach Festival was a single performance of Idomeneo, the first of its kind in this country. It was to be a single period of the single period of interesting, serious, and thought provoking, as this enterprise's opera ventures always are; they force one to re-examine comfortable ideas and beliefs about 18th-century

and denets about 18th century dramaturgy.

This was particularly the case in an Idomeneo which gave us much more of the opera's dance passages than usual, including a complete account of the chacoune that Mozart placed as the finale, in accordance with the traditions of French-influenced serious opera of the period. (In the Royal Opera's own Idomeneo. Royal Opera's own Idomeneo, produced by Johannes Schaaf, the chaconne was given in truncated form and used for

the purposes of send-up.)
Mozart himself was proud of
this dance finale; before the
Munich first performance he mulich first performance he held to it tenaciously, even after making deep cuts elsewhere in the great score. In Stephen Preston's choreography (not perhaps ideally well delivered), and with the beautifully executed sea-prospect (after Quaglio's 1781 designs) in the background, this stately closing episode to the opera seemed to round off its grand structure in uniquely satisfying fashion. One understands why mod-

ern Idomeneo producers are wary of including dance in shows - it gets in the way of contemporary views of nusic-drama — but it is, after all, the blend of 18th-century grandour and timeless human-ity that makes this one of opera's greatest achievements. and the dance element certainly underlines the sense of formal grandeur.
On the whole, though, I

The same of the sa

N G

551

2162

4

H

... **(.**...

thought Sunday's performance somewhat less satisfyingly finished than the festival's two Gluck offerings of the last few years. Fom Hawkes's production, as usual sensitively worked on an insufficient number of choral members, seemed under rehearsed — though the speed of scene-change afforded some impressive dramatic some impressive gramatic effects, and the movement of each act towards its climax was defliy controlled. But the abiding dramatic weakness was not of his making: the limp conducting of Antonio de Almeida, which turned long stretches into indifferentiated and the price of the movement. plod. In spite of the presence of a "period" orchestra this was an idomeneo danuded of much of its marvellous orchestral colour.

orchestral colour.

The principals had plainly not worked together sufficiently long to achieve unified modes of vocal and stage address. The most adept in carrying her costumes was Valerie Masterson, an Ilia whose abundant grace, whose abundant grace, dignity, and vocal elegance compensated for passages where vocal husbanding (highly skilipl, by and large) was particularly evident. Françoise Pollet, the French soprano introduced to this country on a recent, admirable Erato operarectial record. Erato opera recital record, made her British debut as

Electra – grandly and in ample, large-lined style. Lucille Beer's warm mezzo proved not always exactly in focus for Idamentes (it was a mistake to include "No, la morte," which in any case holds up the climax of Act 3, as Mozart himself recognised when he cut it). Rüdiger Wohlers, though he tried hard, was vocally quite unsuited to the title role, especially in a presentation of this kind.

New Year

ast October Sir Michael Tippett's fifth opera was premièred in Houston - whence Max Loppert sent a warm report to this page - by the city's Grand Opera, who had co-commissioned it with Glyndebourne and the BBC. It reached Glyndebourne on Sunday in louring weather ("L'été anglais," one visitor nummured as she settled cantillement en the large for the niconitation. tionsly on the lawn for the picnic-interval), but with Peter Hall's production intact, and most of the original cast. More of them than expected, in fact for the mezzo Felicity Palmer had "with-drawn" from the role of the fostermother Nan after the programmes were printed, and Jane Shanlis was flown over to re-create her.

Miss Shania carries the part well -

suitably mature tones, and an air of troubled decency — but she leaves us uncertain about just how formidably strict Nan is meant to be. (Presumably the formidable Miss Palmer had been cast to eliminate any doubt whatever.) For an intended crux of the opera-seems to be whether her delinquent black foster-son Donny is to submit to her well-meant "discipline," or to go on sheltering with her older foster-child Jo Ann, who has majored in child psychology and believes only in "love," but is attaid to step outside her apartment in Terror Town; and like all the other themes of New Year, this one seems to hover tentainingly between visionary intention and cheek realisation.

hover tantalisingly between visionary intention and stage realisation.

The other themes include most of our modern inner-city problems, which the composer (85 this year) addresses from his usual lofty, mythopoeic viewpoint. While Donny taxes his imagination to recover his "Caribbean and/or African past" and becomes the ritual scapegoat in a New Year's Eve crowd-scene, Johan's private specials is seen on video Ann's private anguish is seen on video by Pelegrin, a space-pilot from "Nowhere Tomorrow" who immediately changes his mission from a foray into the future to a romantic search into the past. They fall in love, and after some time — and space-hopping — and a symbolical choice out of Strauss's *Die* Fran olme Schatten, Act 3 — she feels well enough to go out-of-doors.

The other principals, Pelegrin's tech-nological superior Merlin and their domineering, future-mad boss Regan, are symbolic caricatures whom James Maddalena and Richetta Manager sketch with such verve as to make us

regret that they are allowed only to be cartoons. Alison Chitty's semi-high-tech designs compare prettily with those for the grander *Metropolis* musical (much lamented: if the theatre-critics hadn't been so sniffy, a lot more people would have enjoyed it very much), and Hall's production lays on everything within reach to make the proceedings lively and comprehensible — to the point of running chatty supertitles which summarise the sense of each scene.

The effect is to bring New Year frankly into the comic-strip orbit of Metropolis, but why not? The jump-cut style of Tippett's previous opera The Ice Break (soon to enjoy a Prom revival) still sustained an undercurrent broader and deeper than its cartoon stereotypes. The trouble with the new opera, how-ever, is that it not only trades upon character-histories which we don't see but are merely told about — in frequently undecipherable words, even at Glyndebourne — but runs out of musical steam before Act 8.

Act 1 introduces everybody with striking musical ideas, familiar late-Tippett material but tautly strung in operatic sequence. (Bluesy saxophones and a pair of electric guitars figure prominently.) Act 2 is padded out with stock electronic stuff, professionally effective; there is a forceful heterophonic ensemble for all the main characters at crisis point which is rousing, but doesn't draw the dramatic threads together any more than the closing chorus of "Auld Lang Syne" does. Act 3 is not only minsy beyond retrieval — besides the "What's your poison?" routine from From ohne Schatten we get space-visitations, a magic appearing and disappearing rose and a pair of dancing spirits to help Jo Ann find her feet — but pays low musical returns, recycling earlier passages and adding only some "transfigured" rhetoric for her and for the

Throughout, in fact, the Presenter has to present a great deal of back-ground that hasn't been dramatised. Nigel Robson sings him splendidly (though the prescribed amplification (though the prescribed amplification doesn't help his words), far better apparently than his Houston counterpart, and he makes the most of Tippett's new fluency in the quasi-American idiom first tried out on Dov in The Knot Garden. Helen Field as Jo Annual Philip I apprieds as Polegrin line. and Philip Langridge as Pelegrin limn their roles with exemplary fervour,



Philip Langridge and Helen Field

Langridge wielding a quaint kind of RAF period-glamour. As fractious, sing-ing-and-dancing Donny, the remarkable Krister St Hill makes every note and gesture tell. Tippett lets him fade away too early, though, on a home-video which is supposed to represent his "secret dreams" – but reveals him in his own hair instead of the Raggedy Andy wig he sports onstage, which damps the scathing intensity that is his special quality.

In short, the score dwindles prema-turely, bequeathing us only fitful,

under-motivated glimpses of a vaguely idealised action. (Barely disguised echoes of the *Midsummer Marriage* rituals keep prompting us in the right direction, and for good measure the fading-to-infinity cadence of Holst's "Neptune" too.) Hall and his cast make it seem a good bit more, and fun while it lasts; but it does maunder, and for Act 3 you need to be glazed to indulgence by an unstinted picnic-supper.

David Murray

resses are revealing the Lady Bracknell they may become, Janet Suzman is too brittle for the manipulating Gertrude: throwaway instead of guided missile. Convincing in the character's lonely comeupp-ance, she misses the irony of lines like, "Tve always hated

everything that's larger than life" - through fear of competition, surely. Laurel Lefkow succeeds in arousing interest in the daughter whose solipsism verges on the autistic; Sandra Caron's acerbic barmanageress is the one member of the cast to get every word

Bowles and

Beckett

Characteristically

cosmopolitan, the Almeida Fes-

tival's latest segment devoted

to "words and music" kicked

off on Sunday with an explora-

tion of work by an expatriate couple in the Angio-American

literary tradition with an aes-

thetic view almost casually

reading of her one play in the Summer House, incidental music by her writer husband Paul (pastiche Mexican alter-

nating with cool Fauré-like wistfulness for harp, wind and

percussion). Recently associated with Tangler, the Bowles lens turns California with its

noisy (almost) indigenous pop-ulation of colourfully exasper-ating Mexicans into another

blandly unconquerable alien landscape to puzzle and frustrate the questing rich.

Wealthy widow Gertrude Eastman-Cuevas is a monstrous grande dame in Tennes-see Williams mould (Milk Train, Suddenly Last Summer).

She dotes, perplexed, on her broodingly detached daughter while fending off the advances

of a caricature Hispanic suitor

and his vast ratinue (a wonder-

ful Latin-American perfor-

mance of screaming ebullience from Julia Swift). There but for poverty goes Amanda in Glass

Menagerie. Add a slightly batty

bereaved mother (played with her usual scrupulous balance

between pathos and absurdity by Anna Massey) and proletar-

ian robustness from the local

seafood restaurant, and you have Williams rechauffe. Or

rather you don't the Bowles style of off-hand sentiments

expressed in pointilliste lan-

guage is altogether more elu-

At an age when most act-

spanning the hemispheres. Jane Bowles, best known for her novels, was illuminated as a dramatist with a rehearsed

ALMEIDA THEATRE

Peter Eyre's direction of the rehearsed reading occasionally moves the actors from their seats, even bringing on prop furniture. What emerges is a stylistic homage to Tennessee Williams and Ronald Firbank, the arabesques and attitudinis-ing of the isolated, with an anti-climactic descent into that ersatz-Chekhov of the 1950s commercial theatre, N.C.

funter.

It was in Hunter's Day by the Sea that your infant critic first saw Irene Worth. Sunday night's tribute to Samuel Beckett brought her back for 18 minutes of the monologue Eh Joe which had more riveting decrease them the 25 minutes of drama than the 35 minutes of the monodrama that preceded it. Soprano Ann Pemberton-Johnson joined multi-track tapes of herself in Heinz Holliger's setting of Not I, only her mouth illuminated, as with Bil-lie Whitelaw's "straight" theatre performance. The jagged vocal line, all leaping intervals, occasional spoken register, very occasional lyricism, is good 1960s stuff. Earl Kim's astringent accompaniment to Eh Joe, a harshly textured brass and string sextet, was something else. Miss Worth crouched over a music-stand addressing a video of Ian McDiarmid: those faintly dia-bolic underted over and invaice bolic upstanted eyes and ironic (and disconcertingly sensual) mouth are now pouched in a face saurian with experience. The voice is as young and resinous as a baroque cello. Nebraska-born, Miss Worth once adopted the British theatre, and we should grapple her to us with hooks of iron. Peter Brook knew her worth: six of the last theatrical dame you care to mention.

Martin Hoyle

Master of the non-objective image

William Packer reviews Naum Gabo at the Annely Juda gallery

Tucked away in its rambling old gallery in Tottenham Mews, between the Middlesex Hospital and Charlotte Street on the northern fringes of Soho, Amely Juda Fine Art has been such a fixture of London's art world these 20 years past that it will hard not to turn one's steps involuntarily in that direction in answer to any future summons to an exhibition. But this is no sad story of closure or retirement Mrs Juda and her son David have been translated westward a mere half a mile or so to, if anything, an higher and certainly a smarter coef.

smarter seet.

Their new gallery looks out over the rooftons of Mayfair from the top floor of 23 Dering Street W1, a stone's throw across Hanover Square to St George's Street, where Mrs Juda had her first gallery some 30 years ago. The move is a kind of coming home, even though with d'Offay the pioneer and Grob, Reynolds already there, with Interim soon to move in from the East End, Dering Street has suddenly become the most smart and lively of art addresses. In the event the inaugural show is itself a mark of Juda Gallery continuity, for it has long been its custom to put on as its summer show, under the generic heading of "The Non-Objective Image," a major study of some aspect of the Constructivist Movement, and the development of abstraction in that tradition since the early 20th century. This year, to mark the centenary of his birth the subject is the Russian sculptor and designer, Naum Gabo, one of that moveon of this kind.

ment's pioneers, who died in 1977. It is a small but exquisitely chosen show of sculptures and drawings, effectively ret-

rospective and beautifully presented. The catalogue is handsome as always and, more than that, a useful original document, with critical essays from Michael Compton and Professor Jorn Berkert; and personal memoirs from Patrick Heron, who as a young man knew him in his time in Cornwall during the war, and Sir Norman Reid, who worked closely with him on the retrospective at the Tate in the year before his death. It also gives "The Realistic Manifesto," which he and his brother, Antoine Pevaner, published in Moscow

in common with most such youthful once touchingly sincere, wildly preten-tious, hopelessly mistaken, funny, cranky, full of stimulating ideas and much good sense. "Above the tempests of our weekdays..." it begins, "Before the gates of the vacant future, We proclaim to you artists... The impasse into which Art has come to in the last 20 years must be broken...The attempts of the Cubists and Futurists to lift the visual arts from the bogs of the past have led only to new delusions...We say... Space and time are reborn in us today ... 1. Thence in painting we renounce colour as a pictorial element ... 2. We renounce in a line, its descriptive value ... 8. We renounce volume as a pictorial and plastic form of space ... 4. We renounce in sculpture, the mass as a sculptural element ... 5. We renounce the 1000 year old delusion in art (of) static rhythms...Today is the deed..."

Brave words, but yet how oddly formal, static and even beautiful in conventional terms these things are. Gabo

had been in Paris before 1914 and responded directly to Cubism. He had travelled widely through Europe and, returning to Russia in 1917, was clearly soon in the thick of things revolutionarily artistic. Indeed he seemed ever on the move, leaving for Berlin in 1922 and then on to Paris ten years later, to England in 1939 and at last to America just after the War. He knew everyone it seemed, was constantly engaged in the theoretical, programmatical, art-politi-

But art can never shrug off its formal responsibilities, escape being what it is, as it is made and put together, no mat-One of the heresies of modernism (there are a few) is the belief that the idea of itself is enough, the artist sufficient in his acquittal merely in the statement of it. For many very clever men are seduced by the wish to be an artist, who are yet quite unable to make or model, paint or draw, and are all too readily persuaded that such mundane practical requirements do not matter. In Gabo we see an artist treading that narrow path between the wish and the resolution, for he was never an easy draughtsman, his line awkward, his imagery always more technical and diagrammatic than pictorial. As a sculptor his innate aestheticism is what saves him, choosing materials precise and elegant in their own physical character. metal rod, plywood and plastic sheet, and disposing them more with a design-er's nicety than a sculptor's intuition. Only occasionally would he carve, and

that very late in his career.

But he gets away with it in spite of himself. Project for this, project for the imagination.



Constructed Head No 1: triple layered plywood, 1915

that, construction in space: suspended, construction with net, model for rotating fountain, for torsion, for bronze spheric theme, monument for an air-port, to the astronauts – the titles, brisk and neat as an inventory, disarm and expectation and deflect criticism by proposing the substantive work to come. And yet the proposals, the the-ories, the inferred excuses fall away as these quiet things draw us to them for what they are in the physical space they occupy and inform with their turn-ing, twisting planes and banks of nylon thread. The layered plywood "Con-structed Head" of 1915 remains the engaged and serious enquiry it always was and truly monumental in its own scale. And we could wish that the spare and elegant "Monument for an Airport" of 1936/46, all air and speed, might still be made to the true and properly monu-mental size in which it already exists in

Borodin Quartet QUEEN ELIZABETH HALL From November this year the tie-break, the Borodin's ability

Borodin String Quartet will take up position as Artists-in-Residence at Aldeburgh. This will involve not only appearances at the Pestival in June, but recitals in each of Aldeburgh's other main periods of activity and work at the Britten-Pears School. The press release announcing the news remarks as an aside that this sense of the word."

With that in mind one is per-haps invited to make comparisons with the South Bank, where the Alban Berg Quartet have kept their residency a low-key affair. On Sunday afternoon the Borodin Quartet were there, at the Queen Eliza-beth Hall, for the first of two recitals and the standard of their playing was, as ever, so high that it is tempting to say that Aldeburgh will have the better of it, at least if they appear as often as promised.
A seeding of international string quartets is not an easy business. The Borodin Quartet give away little in terms of technical expertise to any other group of players, even the Alban Berg, whose preci-sion in matters of rhythm and matching of tone is second to none. But when it comes to the

to draw limitless expression from their playing would surely see them through, as it did in Schubert and Mozart at the weekend. The first movement of

Schubert's Quartet, D.804, catches the composer in his intense A minor mood, familiar from the earlier plano sonatas. and might seem to demand a Borodin offered; but it is diffi-cult to imagine the music sounding more rapt than it did here. In the Mozart D Minor Quartet, K.421, even the skit-tish trio spoke volumes, the leader's scotch snaps dancing to a subtly different tone in every phrase.

As befits a group on its way to Aldeburgh, some Britten was included in the programme. The Three Divertimenti are early pieces, left-overs from a suite that was never finished, not entirely sat-isfying on their own, but they served to show off another side of the Borodin's character, as sparks of virtuosity flashed off brilliant and flerce music. The other recital on Thursday week (12 July) will feature Beethoven and Shostakovich.

Richard Fairman

FLYING OFF TO HEATHROW?



Worried about traffic jams? Wondering which Car Parks are full? Dreading the prospect of a flight delay?

Relax. Within a 15 km radius of Heathrow, tune your car radio into our radio travel news on 1584 AM. Live information to make your journey trouble free.

Free hand

delivery

service in

(Centro Città)

If you work in the

business centre of

delivered to your

office at no extra

For full details,

please contact

Tel: (02) 688 7041

Fax: (02) 688 1667

FINANCIAL TIMES

S.r.L, MILANO

Th: 330467

INTERCONTINENTAL

Torino, gain the

edge over your

competitors.

personally

charge.

Have your FT

TORINO

A SERVICE FROM AIRPORT INFORMATION RADIO - TO LISTEN IS TO KNOW

No FT? No problem in Japan.

Keeping up with the news when you travel to the Far East used to be something of a challenge. The world seldom stands still. These days, in fact, just a few hours can be enough to change history for ever.

Happily for FT readers, staying in touch is now no longer a problem in Japan.

Because we now publish in Japan six days a week transmitted overnight by satellite direct from London, and printed locally for the start of the working day. Ask for your copy at the hotel or on the news stands, in Tokyo or in other major Japanese

If you're a resident, we'll hand-deliver the FT to your office in central Tokyo, first thing every day.

call Tokyo (03) 295 1234 now

FINANCIAL TIMES

ARTS GUIDE

OPERA AND BALLET

Royal Opera, Covent Garden: The first production in London for more than a century of Ros-sini's *Guillaume Tell* is by John Cox, conducted by Michel Plascon, conducted by Michel Plasson, and has Gregory Yurisich, Chris Merritt, Lella Cuberli and Robert LLoyd in leading roles. Latest round of the company's much-revived La Bohème production by John Copley, Antonio Pappano conducts, and principals include llona Tokody, Jerry Hadley and Jonathan Summers, with ley and Jonathan Summers, with Dennis O'Neill and William Shi-mell taking over as Rodolfo and

Marcello on July 5. Ballet. At the Coliseum the lifeenhancing Kirov Ballt presents
Giselle (world's best production)
on Friday and Saturday; then
presents a fascinating triple bill
of two Balanchine ballets and Vinogrador's Petrushko on Mon-day to Wednesday. At Sadler's Wells the thrilling Cumbre Fla-menca troupe plays on.

Opéra. La Sylphide in Pierre Lacotte's choreography replaces La Bayadere, which will be pro-duced later on (47425371).

Antwerp

Koninklijke Opera. The Royal Flanders opera in Tchaikovsky's Eugene Onegin conducted by Rudolf Werthen, staged by Adolf Dresen with Mireille Capelle, Pavel Chernykh and Chris De Moor (Wed, Sun).

Opera. Lohengrin, in a new production by Götz Friedrich, has a strong cast led by Peter Seiffert in the title role, Eva Johansson, Olivia Stapp, Jan-Hendrik Rootering and Helmut Welker.
Expertly conducted by Jesus Lopez Cobos, who will be leaving Berlin. La Bohème returns with its original cast of Kallen Esperian, Gwendolyn Bradley, Antonio Ordonezand Andreas Schmidt.
Roland Petit's ballet Notre Dame de Paris rounds off the season. de Paris rounds off the se

Frankfurt

Opera. The successful Lievi brothers' opera debut last year has brought them back to Frank-furt with a new Macheth produc-tion. It will have with Cesare Lievi as producer and Daniele Lievi as designer with an inter-esting cast led by Rosalind Ploesting cast led by Mosanna Plo-wright, Juergen Freier, Rene Pape and Vinson Cole, conducted by house director Gary Bertini. Further performances of Il Bar-biers di Siviglia, Offenbach's three one act pieces by Monsieur Beaulden

Stuttgart

Opera. Offenbach's rarely played operatia Der Karottenkönig' returns. A triumphant production by Gian Carlo del Monaco of *Otello* stars Gabriela Benacko va-Cap, Wladimir Atlantow, Roland Bracht and Mario di Marco. There will be two guest appearances by the Hamburg Ballet Company with A Midsus mer Night's Drawn, and Karls-ruhe's with Lorca Lasado.

Madrid

Teatro Lirico Nacional la Zar-zuela. Bellini's I Purituni closes the Madrid opera season, con-ducted by Miguel Ros with a cast led by Mariella Devia and Luca Canonici. New production Luca Canonici. New production co-produced by La Zarzuela and Teatro Comunale (Bologna). Ends July 18 (429 82 25).

June 29-July 5

Teatro Alla Scala. Liliana
Cavani's successful production
of La Traniata, conducted by
Riccardo Muti, with Tiaiana Fabbricini and Roberto Alagna in the lead roles (80.91.26).

Terme di Caracalla. The Rome

Opera's summer season opens with Mascagni's Cavalleria Rusti-cana, with Ludmila Semchuk, Vyacheslav Polozov and Bruno Pola and Leoncavallo's Paglioc with Fiamma Izzo d'Amico and Vladimir Atlantov, conducted by Reynald Giovaninetti (46.17.55).

Verona

68th festival at the arena. Verdi's Aida (as usual) conducted by Nello Santi opens the festival, this time in a new production by Vittorio Rossi, Maria Chiara, Nicola Martinucci and Fiorenza Cossotto lead the cast (28.151).

Balinese Dance. Kecak dancers from the village of Teges perform at the Zenkoji Temple (ends Thur) (5237 9989).
Die Instige Witwe (Lehar). Staat-stheater am Gartnerplatz, Munich. Tokyo Bunka Kaikan

SALEROOM

Another £l.16m for the BR Pension Fund

The British Rail Pension Fund is remorselessly disposing of the works of art it acquired in the 1970s. To date it has sold art for over £90m (as against an initial investment of £40m) and it still has important Old and it still has important Old Master paintings, among other items, to sell. Yesterday 30 of the Fund's Old Master draw-ings went under the hammer at Sotheby's, and 23 of them found buyers, adding £1;163,700 to the Fund's reserves.

Hermann Shickman, the New York dealer, paid 2308,600 for a gouache from the Fund's collection, painted by the Dutch artist Hans Bol in 1589. It illustrates the story of Venus and Adonis and doubled its estimate. A rare pen and ink by the Venetian artist Vittore Carpaccio went at the bottom of its estimate for £220,000. In 1976 the Fund bought it for £78,000, which hardly suggests an amazing appreciation. It was acquired yesterday by another New York dealer, David Tunick.

Shickman, again, bought "The Toilet of Venus" by Joseph Heintz the Elder for £143,000 and yet another New York dealer, Brady, paid £121,000 for a reclining male nude by Giovanni Battista Tiepolo. All told the auction brought in £2.4m, with 14 per

The Tribal art was its usual unpredictable self making £1.2m, with 22 per cent bought in. A Songe (Zaire) male com-munity magical figure made £178,500 and a Ngbaka harp in the form of a human figure, also from what is now Zaire, was on target at £104,500.

An Urbinoi Istoriato dish. made around 1540 and painted in the famed workshop of Ora-zio Fontana with Christ appearing to Mary Magdalene, realised £63,800, double esti-mate, at Christle's. It was in a continental ceramics auction which totalled £730,983, with 18 per cent unsold. A dish from the same workshop with the Legend of Deucalion and Pyrrha after the flood, sold for £44,000 and a Naples set of six coffee cans and saucers each decorated with faces of the ruling Bourbon family did exceptionally well at £41,800.

Not surprisingly the European art fair planned for Tokyo in 1991 has been cancelled following the fiasco of Antiques Tokyo 90 in May. However, the Grosvenor House Fair attracted a record attendance of over 20,000. Oriental works of art were particularly popular, with Bluett selling over fim worth of antiques.

Antony Thorncroft

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SEI 9HL Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Tuesday July 3 1990

Mr Pöhl on EMU

IN HIS speech to the Institute of Economic Affairs, Mr Karl Otto Pöhl, President of the Bundesbank and doyen of Europe's central bankers, conrted both the apotheosis of his institution and its pro-spective extinction. With Ger-man economic and monetary union, the Bundesbank has attained new power, but with European economic and mone tary union, it would disappear. In neither case can Mr Pöhl turn back the political tides. His duty is, instead, to prevent Germany and the European Community from drowning in

them. On GEMU, Mr Pöhl is convinced that the risk of an inflationary monetary overhang has been minimised. His main concern now is the prospective increase in public sector borrowing, to 31/2 per cent of gross national product, which "can only be justified temporarily and in the light of the excep tional circumstances in which it will arise."

The concern about the fiscal proclivities of governments is a link between attitudes to GEMU and to EMU. Thus, Mr Pohl's insistence on the need for "rules of budgetary disci-pline" may yet halt the EMU tide. If so, he is unlikely to be heart-broken. The German people may not, he evidently sus-pects, be heart-broken either. Under EMU the Central Counlose the right to formulate monetary policy, "a conse-quence which may not have ecome quite_clear to_every advocate of a European System of Central Banks in the Federal

Empowering the ESCB

Mr Pohl is determined to make this point as clear to his fellow citizens as his condi-tions for EMU itself should, by now, be to the governments of the 12. Apart from rules on fiscal policy, the ESCB must be "empowered to pursue price stability as its primary objective." For this purpose, the prospective European central bank would need to be independent from Community and government interference and be responsible for all aspects of

conetary policy.

For Mr Pöhl the need for operational autonomy will be greater in the EC than in the

Federal Republic, partly because the rest of the EC lacks German historical experience. Moreover, "if there is agreement that inflation is democracy's enemy number one," he notes, "success in ensuring price stability should be taken as adequate testi-mony to the central bank's accountability."

Political control

Unhappily, this constitu-tional doctrine is unfamiliar in Westminster. Yet the combination of operational autonomy with the clear goal of price stability is not an escape from political accountability, but its guarantee. What the British call political accountability is a euphemism for political con-trol. But such political control over monetary policy is both a relatively recent and disas-trous development in British history.

The comments on the British proposals for a "hard ECU", will also not have endeared Mr Pohl to the UK Government. He regards these as following, at best, the ideas underlying the concept of a second "insti-tutional phase" of the European Monetary System, some-thing now left far behind in the RC's history. More fundamental, however, is a philosophical objection. What is needed, he insists, is closer co-operation among central banks, not greater competition among the currencies they issue.

The next step then is progressive monetary convergence, leading ultimately to fixed exchange rates and a sin-gle currency. But "it will be some time yet before we come to that point." The "hard ECU" can, in Mr Pöhl's view, neither obviate the path of convergence nor accelerate the jour ney along it. He is probably right and, whether right or not, his opposition will be sufficient to kill the scheme.

Mr Pohl is correct on both the ultimate destination and the path. If EMU is to endure, the rest of the EC must not only reach German standards but accept their embodiment within EC monetary arrang ments. Mr Pohl does not just say, like Saint Augustine, that he wants EMU, but not yet. He says, as well, that EMU is for all those resolved to join him

A new era for the NHS THE SIZE of the Thatcher

Government's Parliamentary majority made enactment of the National Health Service and Community Care Bill a for-mality last week. But Mr Kenneth Clarke, the UK Health Secretary, is aware that many of the proposed measures are not yet widely supported. He is distributing a glossy booklet explaining the reforms to every household. Government has rarely taken such trouble to justify legislation approved by a resounding majority of elected representatives.

The need for such an elaborate marketing drive may appear surprising. The Government is not proposing to break up or privatise the NHS: health care will remain free at the point of delivery and mainly financed from taxation. The big change is an attempt to improve efficiency (and qual-ity) by separating the purchase of health care from its provision, functions which used to be the dual responsibility of district health authorities (DHAs). From next April, ministers plan gradually to shift responsibility for the provision of care to an array of competing providers in the public and private sectors. DHAs will concentrate on the purchase of care for local populations, a role they will share with the larger family doctor practices which will be expected to man-age their own cash budgets for routine hospital services.

There are many risks associated with these policies. Cash budgets for general practitioners could undermine traditional patient-doctor relationships by forcing family physicians to balance financial and medical considerations more explicitly than hitherto. Rationing of care - long necessary in hospitals - could become a fact of life in the primary care sector.

Public service ethos

The strategy of spinning off NHS hospitals as self-govern-ing trusts could also misfire. Self-government will give hospitals and staff a strong incentive to focus on profitable forms of medicine. Some may be tempted to restrict the range of services they provide with detrimental consequences for local communities. In general, the emphasis on competi-

tion will lessen the scope for cooperation between different parts of the NHS, which could cause a fragmentation of services. More subtly, it may erode a public service ethos which led NHS doctors and nurses to place far less stress on material rewards than many of their counterparts abroad. This could prove expensive in the long run.

Democratic deficit'

Finally, the remodelling of district and regional health authorities along corporate lines raises the spectre of a "democratic deficit". Districts are supposed to assess the health needs of local popula-tions and establish policy pri-orities. But not all needs can be met. With the removal of local political representation, district managers will be mini-dictators, answerable only to higher tiers of NHS manage-ment. Why should they deter-mine local health priorities?

These and other objections do not mean that health care reform is a mistake. The NHS is a lumbering producer-domi-nated bureaucracy which could benefit from a dose of supply-side competition. The Government's reforms - particularly the attempt to separate the purchase from the provision of care - thus deserve support. If all concerned adopt a positive, pragmatic stance, the benefits should considerably outweigh the costs. The medical profes-sion, in particular, should recognise that reform of some description is overdue; loss of autonomy as providers of care may be painful but it was inev-

hay be painful but it was inevitable given wider changes in society since 1948.

Looking forward, it seems likely that this year's legislation will mark only the first stage in a much longer sequence of reform. The party which wins the next election will almost certainly have to examine new ways of financing examine new ways of financing the NHS. The problem is whether taxation can provide a sufficiently buoyant and flexible form of finance for such an important commodity as health care. A growing middle class used to exercising personal control over important consumption decisions may favour experimentation with the kinds of social insurance popular on the Contintent.

▼ EC and Siemens propose to create a major new European partnership. The acquistion of Plessey... will be the springboard for further substantial expansion together." The General Electric Company and Siemens offer document for Plessey.

mens offer document for Plessey.

November 16 1938.

The rhetoric flowed thick and fast from GEC and Siemens during their 22bn bid for Plessey. In their final offer document published in December 1988, Lord Weinstock, GEC's managing director, and Dr Karlheinz Kaske, Siemens' president and chief executive, said they were dedicated to developing common European developing common European systems, pooling research and devel-opment and collaborating to make production more efficient.

GEC's annual results this afternoon will shed light on the financial costs and benefits of the acquisition, the product of a four year campaign by GEC. But they will be less help in alling what has gone on behind closed doors since the two companies took control of Plessey last September. For according to some of those involved, in the process of carving up Plessey the two allies have been carving up one another.

The victors have not merely failed to fulfil their vision of a grand European partnership, they have grown more estranged. The lighting partnership, GEC-Osram, which was meant to be a model of how the alliance would develop, has broken up, with Osram, the Siemens subsidiary, taking central More to the point they orani, the Siences substantly, tak-ing control. More to the point, they set out aiming to run jointly nine of Plessey's businesses; in reality, they will be jointly involved in only one: GPT, the telecommunications company. They are currently negotiating the sale or division of the remaining Plessey businesses they run jointly in South Africa and Australia. Roke Manor, the Plessey military communi-cations research centre, will pass from joint control to Siemens if the Ministry of Defence approves.

This is more, it seems, than a case of two erstwhile partners growing apart. The managing director of one of GEC's companies, who has had to deal with both partners, puts it in these terms: "The GEC-Siemens relationship has been a disaster. It is a very embittered relationship and there is something seriously wrong. The divorce was already under way when they bought Plessey."

The joint bid for Plessey was one of

the most controversial and closely scrutinised industrial takeovers of the decade. It is a central component in GEC's strategy to forge protective joint-ventures around its defence electronics interests. The success or fail-ure of the Siemens alliance will be a guide to prospects for the joint ven-ture strategy as a whole.

The victors have not merely failed to fulfil their vision of a grand European partnership, they have grown more estranged

How is it that two of Europe's largest companies can launch a bid on the basis of an alliance and then all but dissolve it in less than a year?

Almost to a man former Plessey executives believe GEC and Siemens carried off an big con trick on regulators at the Monopolies and Mergers Comission and the European Commis sion, and that the two companies never intended to fulfil the strategic vision they presented while pursuing the bid. As a Plessey defence document put it in January 1989: "All the rhetoric regarding Europe fails to dis-guise the substance of the bid: an old fashioned carve up of a competitor." The accusations are strenuously denied by those involved. A senior Charles Leadbeater on problems facing GEC and Siemens after their controversial joint acquisition of Plessey

A marriage of convenience

GEC adviser says: "At the beginning relations between Lord Weinstock and Mr Kaske were very good, they are two old hands. There was nothing cynical about it.".

The problem stems to some extent from the changes the bid went trom the changes the bid went through after it was launched. The GEC-Siemens joint approach began to unravel when the regulators insisted the bid was revised. Separately, a plan for the two companies jointly to run Plessey's businesses in the US apparently fell foul of the Defense Department. As GEC took complete control of these greatings the two comme se operations, the two companies were forced to readjust other

parts of the package.

But this is at best only a partial explanation. Without any further prompting from the regulators, Sie-mens revised its approach again after the bid succeeded. A Siemens executive explains: "As it was a hostile bid we could not really examine what we had acquired until afterwards."

To complicate matters, by the time the two companies came to consider what to do with Plessey they were both deeply distracted by other commitments. At the turn of the year GEC acquired the radar business of its ailing competitor Ferranti Interna-tional. Siemens has toban mens has taken on the task of turning around Nixdorf, the West German computer maker, and this year it has had 30 joint ventures under negotiation in East Germany.
This combination of pressures would have taken its toll on the closest of relationships. But the complicated negotations over the division of

Plessey threw into sharp relief the allies' different but rigid cultures. Siemens is a relatively centralised com-pany, often criticised for being over bureaucratic, with a reputation for investing in long term research and sticking with loss making businesses such as semiconductors. If Siemens is an engineer's com-pany, GEC is a finance man's com-

pany. It has a lean corporate centre, which exerts tight control over a fairly loose association of companies through strict financial disciplines. It tends to ditch businesses which con-sistently fall to meet financial targets. Research and development, rather than being centrally directed, is led by demands from the constituent

It would be wrong to think the partners are not on speaking terms. Senior managers meet in London or Munich once every three or four However, even from the companies

own statements it is clear the relationship has reached its limits. GEC's line is that the relationship has not collapsed, but - in the words of a spokesman – it has "run its course" having achieved GEC's goal of acquir-ing Pleasey.

As a Siemens executive out it: "To

say it is tense is going too far. But it is not an easy relationship." In response to suggestions that the alliance is foundering, GEC points out that one very significant area of col-laboration has survived — GPT, the company formed by the 1988 merger of GEC and Plessey's telecommunica-

Karthelisz Kaeka, President of Sier Lord Weinstock, Managing Director of GEC **GEC-owned** sey Aerospace' sey Avionics

Pleasey Crypto Plessey Navai Systems Pleasey Semiconductors* in the US Plessey Aero Precision Corporation* Pleasey Dynamics Corporation* Pleasey Electronic Systems (including ES Marine Systems) Sippican Inc Plessey Materials Inc

GPT, tormerly jointly owned by GEC & Plessey, is owned as to 60% by GEC & 40% by

mens Plessey Controls

Jointly owned by GEC & Siemens, but are to be split up

Plessey Australia Plessey South Africa, Zimbabwe & Melawi esey Research Roke Manor Plessey's share in Plessey

tions interests. The company, owned 60-40 by GEC and Slemens respectively has annual sales of more than £1bn. Siemens' 40 per cent share accounted for most of the £1.2bn it contributed to the bid. Much smaller partnerships have been called strategic alliances. Will GPT provide a sustainable core for the relationship or will the two compa nies eventually go their separate

Although GEC has the majority stake and management control, GPT management is developing a closer relationship with Siemens. A senior Siemens executive, Mr Her-

bert Asmussen, became managing director of marketing and technical cooperation at GPT in January. The

two companies are exploring the potential for joint purchasing, the spread of best manufacturing prac-tices, and the possibility of pooling marketing expertise and comparing the productivity of their plants.

The test of where the relationship is ading will come soon. In January Siemens and GPT began a complex negotiation over the possible merger of their public network activities in

Pleasey interests to be sold:

Birkby Plastics

Hoskyns Group PLC Pleasey Spa of Italy

the US, a venture which could set the framework for the rest of the product development programme. Some of GPT's most significant customers say the company seems to be in a muddle, created by tensions between its parents. Mr Richard Reyn-

olds, GPTs managing director, in con-

trast, says there are no tensions

beyond healthy hard bargaining between business partners. Whatever the truth of the matter,

the growing strength of GPTs rela-tionship with Siemens raises serious questions about the future of GECs involvement. The official line is that a merger between GPT and Siemens is not on the agenda. A Siemens executive says: "We want to take it steadily, to become more acquainted

But many in the telecommunications industry believe that in the long run Siemens will displace GEC by integrating much more closely with GPT.

Given their contrasting cultures, the two companies face a broader challenge in determining how to develop Plessey's businesses. The lit-mus test of GEC's approach will be its treatment of PSL, Plessey semiconductors, which in the 1980s grew into one of the most profitable semicon-ductor businesses in Europe, making specially designed chips for computer disc drives, satellite television receivers and high definition television.

GEC has a chequered history of involvement with semiconductors, it is a cyclical business, which consumes vast investment for uncertain rewards, not at all the financially pre-dictable sort of activity GEC likes.

Significantly, the management team responsible for PSL's success, led by Mr Doug Donne, has stayed on since the takeever. As yet its day to day activities have not changed much beyond having to fill in a different formal and the stayed on the stayed on the stayed on the stayed of t financial report each month. Lord Weinstock has told PSL managers he will support them if they deliver reasonable financial returns.

However, the test of GEC's commit-ment will be money. To stay at the leading edge of the business, PSL needs to spend about 15 per cent of its £120m annual sales on research and development. Investment in manufacturing takes more than £10m a year. In the next couple of years it will want to expand its modern manufacturing plant at Plymouth, which will cost more than £40m.

Given the cyclicality of the semi-conductor market it seems unlikely sey semiconductors will each year deliver a return on assets employed which matches GEC's expectations. If Lord Weinstock finds the financial prospects too unpromis-ing, he could well be tempted to sell it - a move that would cause outrage in the UK electronics industry establish.

Plessey was much more like Siemens than GEC. Its management strategy was driven by the allure of integrating technology, in radar and sonar, military communications and telecommunications. Its corporate headquarters, which shut last week. played a role in strategic planning and setting research priorities.

For Pleasey stalwarts any division of the company would be regarded as barbarism, sapping the dynamism the management was trying to generate by integrating technology. While Ples-sey was planning to integrate radar and underwater sonar, GEC and Siemens have separated them.

It is too early to say whether the hid will have been good or bad for UK electronics in the long run. The main test will be what happens to research and development in the UK and whether the new owners use Plessey's technological strengths to develop new products and new businesses more effectively than the previous, much criticised mana

By dividing the company so neatly, GEC and Siemens have set up as clear a test as could be imagined of whether British financial discipline or West German engineering will be better at developing Plessey's assets for the long term. As things stand most former Plessey managers working for either GEC or Siemens believe the West Germans will come out ahead.

Royal blow to polo

■ The Prince of Wales may have broken more than his right arm playing polo at Cir-encester last week. He could also have fractured lucrative sponsorship deals that are essential to the sport. Cartier, which funds the Car-tier International, the Ascot

of polo, on July 29, says that it might have to rethink its involvement for next year if the Prince is unable – or unwilling – to climb back onto his polo saddle. "It is essential for us to have a royal involve-ment," said a Cartier spokesman. "We need that as part of our magical mix." Prince Charles — who often brings Princess Diana and their children to matches is a star pull for corporate sponsors such as Jaguar, National Car Parks, Body Shop, and Dunbill - which says it will carry on despite the Prince's mishap — to name but a few. He plays in 12 char-

- a figure impossible to achieve without his participation. Polo is one of the most expensive sports — a player can spend up to £20,000 in a season — and it needs its sponsors, who will spend over sors, who will spend over £250,000 a season on a team, on top of entertainment bills. Kerry Packer, the Australian media magnate, is now trying to sweep the board of European polo. Recently he bought 150 ponies at a cost of £20,000 each and laid out three

ity matches a year, each of which raises around 250,000

grounds in the UK.
Prince Charles is certainly out for the rest of the season and questions are being raised about the wisdom of him carry-ing on: the accident could have

French fine ■ On the day that freedom of capital movements entered into effect in the European

OBSERVER

Community, the magistrates of Dunkirk have neatly punc-tured the emphoria over a fron-tier-free Europe. They sen-tenced Michael Falshaw, a 42-year-old Briton, to a month in prison for failing to declare £49,664 when he entered France; they also confiscated the money.
France abolished most of

its exchange controls on January 1 this year, six months before the EC deadline, but travellers are still obliged to tell the customs officer if they have over FF150,000 in their

Irish energy

Ireland's ever artful smugglars were at it again over the weekend. At 8 pm on Saturday almost the entire nation, including the Irish customs, settled down to watch Italy play Ireland in the World Cup. It was a good moment for the tankers carrying thousands of gallons of petrol and diesel to begin to roll from Northern Ireland across to the Republic. Fuel prices in Northern Ireland are up to a pound a

gallon cheaper than in the Republic. At one border cross ing, 12 tankers were reported to have crossed in a half hour Irish customs admit that their border patrol units were relaxed somewhat during the big match, but deny that the border was left completely

open.

Pöhl and Plumb No one can accuse Karl Otto Pohl, the President of the Bundesbank, of pulling his punches. If what he calls a European Central Bank Sys-tem (ECBS) comes about, he told the (largely British) insti-tute for Economic Affairs yes-terday, "national central banks will have to give up their right



"Another day, another D-mark."

to formulate national mone-tary policies". Moreover, the idea of national central banks implementing an ECBS monetary policy "with a large degree of freedom in accordance with the special circumstances of their national economies and the needs of their financial markets" is, in his view, unac-

ceptable.
Not least: "I believe that the future ECBS should also be responsible for the manage-ment of the foreign currency reserves and for intervention in exchange markets." Hardly the sort of fudge that members of the British Conservative Party, hoping to avoid a split

Party, hoping to avoid a split in their ranks over Europe, want to hear.

Meanwhile, the Germans have awarded nice Henry Plumb the Knight Commander's Cross (Badge and Star) of the Order of Merit of the Federal Republic. The now Lord Plumb is probably still best remembered in Britain best remembered in Britain for his time at the National Farmers Union. He went away to the European Parliament, became its President, and is a fervent advocate of increasing its powers. The Germans obviously appreciate that,

\$5 brollies ■ Enterprise culture is alive

and well and living in Washington. When a sudden thunderstorm hit the city on Sunday afternoon, not one but two umbrella sellers appeared at a normally quiet underground station. Their vigorous compe-tition above the thunder and pelting rain ensured that prices did not shoot up above \$5 for a collapsible umbrella: consumer satisfaction and a brisk trade going hand in

Who's Who now ■ Mohamed Fayed has made

it to the International Who's Who (1990-91), but lists no recreations and gives his address simply as Harrods Ltd. Martin Sorell, the advertiser, makes it too, and lists family, skiing and cricket. He is joined by fellow advertisers the Saatchi brothers. Charles and Manrice, who curiously enough were not listed when their fame and fortunes were rather higher than they are today. On the political side there are three new Presidents appearing for the first time: Violeta Barrios de Chamorro

of Nicaragua, Guillermo Endara of Panama and Vytau-tas Landsbergis, President of the Supreme Council of Lithua-nia. Not that they give much away, except that Landsbergis is a teacher of musicology. The best Presidential entry in terms of leisure interests remains François Mitterrand of France, who lists simply table tennis.

False cheer

■ One of the biggest cheers of the night when the defeated Irish football team returned to Dublin on Sunday was for the announcement that England had lost to Cameroon. It turned out be wrong.



VEUVE CLICQUOT LA GRANDE DAME DE LA CHAMPAGNE

Company Company Se feriebis and Die. The state of the same ing ---PAR CLASS STORY Bernen Elizabet Ap (752 ----関係を さ たかい AL THE LAND 182 18 52 3 33 TE THE PART TO The Secretary of Secretary A Marin B

wing to the im

Street .

Ten es Sir

gad 2120721 - 11 ft

مه استخداد <u>با</u>ن

발로 (18)

Bendaran II.

152.24 21. 2.1.

enicial a une criticial actual

okrain koran

ime i er mai ş

apen in and

The Course

Cense will his

海 计二十二次

हेका में अक्टर ५०%

AND STREET, ST

description in the same

THE COMME THE PARTY OF

The same of the sa The same of the same of Ent of Tares

Secretary Fee for a join

LETTERS

Canada: entering a new phase after Meech Lake

From Mr Nicholas Hopkinson. Sir, Your editorial comment ("Beyond Meech Lake," June 12) rightly states that regional economic integration is reducing the importance of national

the factor of the control of the con

Section 1975

believe the

such more

Contraction of

Contracting the second second

Manager Town

with Secretary

bus mess

R and Comments

No. 120 Paris

Months of the second of the se

of the business

a start of Posts of P

30000000000

Section of the sectio

I Lord William

200 De 100 De

BOUL GER

EC PERSON

Fig. 1: The state of the state

C. STERRY

March Tropies

क्षि के ध्या ब्राह्म्य

東南部の

Mary to the Co.

87-3 C - 11-2

sign for the pro-

146 年 第二 人工

無限での方型 乳力

and the reference

े क्षष्टाक्राणी भरद्राः १ वेशास्त्राच्या स्थापन

7 1 4 5 7

er 1224

77

 $\mathbb{P} \subset \mathbb{R} \subset \mathbb{P}_3$

M. IV

An 1922 2020

21. -----

However, Canada was made a viable economic unit by erecting high tariff barriers which facilitated industrialisation and east west economic transactions. While making sound economic sense and exhibiting the new confidence of Canadian business to compete internationally, Canada's free trade agreement (FTA) with the US in the current uncertain political climate will further undermine unity.
The FTA will complete the

virtual realignment of Canada's economic links along a north-south axis and remove the economic foundations from underneath the Canadian condependence Parti Quebecos is only too happy that the FTA has secured Quebec's access to its overwhelmingly major export market.

With the failure of all provinces to agree the Meech Lake Accord, Canada enters a new phase which will broaden the crisis away from constitutional niceties to deeper arguments over outright independence and economic viability. Quebec has been accommodated at almost any price to keep it within confederation, but by province that has pushed for been limited. The federal gov-more decentralisation. Cer-

unity is no longer worth the constant constitutional bicker-

ing and continued uncertainty.
There is no doubt that most Canadians and their politicians sincerely want national unity. But if the cost is the subordination of individual and minority rights guaranteed by the federal charter to provincial governments, then the dissenting minority of politicians in Mani-toba and Newfoundland are right to voice their concern that Quebec's recognition as a distinct society will unacceptably enhance provincial power. Whether or not all provinces agreed to Meech Lake, Canadian unity is dissipating.

As a fifth of all francophones live outside Quebec, the Quebec government cannot claim to represent all francophones let alone the 1m non-francophone minority within Quebec. Yet the example of the assimi-lated francophones that emigrated to the US is sufficient to indicate that francophones do have a legitimate need to preserve their language and cul-ture. The late Parti Quebecois Premier's aim to make Quebec as French as Ontario is English has been achieved. Unfortunately, this has been

at the expense of the minorities in both these central provinces whose use of their language in the workplace and receipt of provincial social ser-

tainly many in Canada are attempted to honour the rights beginning to feel the price of of the two main linguistic groups. However, attempts to redress the under-representation of francophones has turned into an under-representation of anglophones in a number of federal government departments.

If there is a distinct society in Canada, it is the indigenous Indians rather than franco-phones and anglophones who share a common, albeit distant, European heritage. Indeed. Mr E. Harper, the Indian member of the Manitoba legislature, successfully argued that if one group in the Canadian mosaic wants to start calling itself dis-tinct, others should be allowed to do the same.

Without a constitutional settlement, it is feared that Quebec independence becomes likely. If Monaco can flourish economically, then so can an independent Quebec. One recent consultant's study even indicated that Quebec would be better off as an independent state. Divorce culminates in an argument over who gets what. Reminiscent of the 1970s argument over who owns North Sea oil, lawyers can have another constitutional bonanza over who owns the hydro-electric and resource-rich part of north-ern Quebec which once belonged to the Hudson's Bay

Company.
Canada has survived several national crises. In the past, some charismatic politician has emerged with a last-minute compromise to keep the vast

allowances abroad are a factor.

and diverse nation together. This time Canada's politicians and population appear exhausted and "Meechless." Nicholas Hopkinson, Associate Director. Wilton Park. Wiston House Conference Centre.

Steyning, Sussex From Mr John G. Lover.

Sir, Your editorial comment gives the impression that three of the largest Canadian prov-inces, including Ontario and Quebec, have agreed to transfer 10 of their Senate seats to other provinces if no agreement on reform is reached by

In fact, sacrificing of Senate seats was a crucial concession made by Ontario's Premier, David Peterson, at the recent Ottawa conference. Under this fall-back plan his province would lose six seats of its 24. New Brunswick and Nova Scotia would also be net losers. These would be the three prov-inces making the sacrifice, not Quebec, which would keep all its 24 senators in the interests of preserving strong French representation in the Senate.

The point is that, rightly or wrongly, Quebec conceded vir-tually nothing during this "seven-day war" over the Meech Lake Accord, and certainly nothing in terms of Sen-John G. Lover,

4505 Tanglewood Crescent,

TUC ready for more recruiting drives

From Mr John Monks. Sir, John Gapper's article assessing the recent TUC-led organising campaign in Manchester ("Problems hit union recruitment drive," June 28) paints a far too pessimistic pic-

The facts are that the campaign produced 900 members immediately, with unions still receiving inquiries prompted by the publicity campaign. In addition, unions have established bridgeheads in a number of workplaces and are building up membership there. On the basis of this, the TUC

is planning to repeat the exer-cise, perhaps six times next year, although no final decisions will be taken until next month when the results of a similar campaign held in May in London Docklands are avail-

The campaigns would not, as stated, be organised by TUC regional councils although regional councils would play a crucial part; they would be led by the TUC nationally as were the Manchester and Docklands John Monks,

Deputy General Secretary, Trades Union Congress, Congress House, Great Russell Street, WCl

Reasons for defenestration From Mr James H. Clancy.

Str. As an American attorney it pains me to note that the legal tip so kindly provided to your readers (Observer, June 20) is, in fact, erroneous. The Russian is not meant to say: "We make the best vodka in the world and can afford to do this." Rather, he is to say (as he tosses the bottle out the window): "In Russia, vodka is so plentiful that it is virtually without any value."

Thus, a very different joke occurs when the American sses his lawyer out the win-I am afraid your source must

have been a plant from the American Bar Association. Litigiously yours,
James H. Clancy,
The Albert Partnership,
British Columbia House, 3 Regent Street, SW1

From Ms.M. Mowlam MP. top 50 products worldwide rep-

Sir, I would be a pily if your readers interpreted proceed-ings at the Department of Trade and Industry's conference "Innovation and Short-termism" as an industrial exercise in City "shin-kicking" as suggested in your headline ("Industry kicks City shins over short-term views," June 26) Complecent views were not much in evidence, and there were plenty of leading City and industrial figures around pre-pared to both listen and to put forward ways in which we as a

nation might adjust to the imperatives of the long term.
As the impovation Advisory Board stated, if externally managed penaion funds could be pivoted away from certain. current practices, "City/indus-try short-termism would run short of fuel": That must be the objective of action now, along with awareness raising acong wan awareness raising features, such as the publica-tion of a research and develop-ment (R&D) company score-board. Lord Alexander noted that mere dialogue was not

enough. A new government policy, based on a faller understanding of how our current system seems to encourage short-ter-mism and the "dealer culture", is required. Given the speed with which our international competitors seem to be overtaking us in the field of high technology-based growth, we do not have much time.

I hope the Secretary of State was not just pleased with his conference, but will surprise us all and implement policies oriented to the future of British industry. Marjorie Mowlam,

House of Commons, Westminster, SW1 From Dr J.P. Griffin.

Sir. While the debate over short-termism continues, I am pleased to note your editorial comment that Whitehall has also woken up to the subject ("Short-termism of managers," June 25). You quite rightly describe

heavy spending on R&D by British pharmaceutical compa-nies as "vital to their international competitiveness tional competitiveness".

This year the UK pharmaceutical industry is investing 2900m in research to maintain

its high level of success. Three of the top five best-selling medicines in the world (and seven of the top 20) are British. The

Adjusting to the imperatives of the long term Much more generous tax

resent just under half of the total prescription medicines market. Of these, 27.6 per cent originated in the UK. No other country in the world is so eco-nomically dependent as the UK on the health of its pharmaceutical industry (including an industry trade surplus of nearly fibn last year). A big factor in future

research will be proposals just announced by the European Commission to restore the effective patent life of medicinal products, which has been eroded from a nominal 20 years to an actual 8.4 years in the European Community. This erosion of patent protection has occurred as a result of the greater technical complexity of the research needed to develop new medicines and the more stringent safety and efficacy evaluation now conducted. Both the US and Japan have

already accepted the need to improve patent protection for their pharmaceutical manufacturers. The French have adopted national legislation in line with the EC proposals.

The European Commission is to be commended for identifying the threat to future earch caused by the lack of a fair reward. It is to be hoped that the British and other EC national governments will give their support to this far sighted proposal and not succumb to the disease of "short-termism." J.P. Griffin, Association of the British

Pharmaceutical Industry, 12 Whitehall, SW1 From Mr A.J. Lucking.

Sir, Your editorial comment casts doubt on the Innovation Advisory Board's diagnosis "Short-termism of managers," June 25). Perhaps a less contentious

monstration of this problem

is the age of our manufactur-ing plant, compared to that of our competitors. Japanese visitors have been known to laugh openly when visiting Britain's "museums of industrial archaeology." In the "profit first" countries, Australia, Britain, and the US, companies are not replacing equipment, because the calculated payback is too long, whereas in the winning countries, Japan, Germany and France, machinery is retired on the same basis that we use for company cars - it is three or four years old, so it is out of date, and must go.

and I wonder if Mr Nigel Lawson's draconian reductions may yet prove to have been a mistake in the case of manu-facturing companies. The 100 per cent initial allowance was some compensation for the huge increase in prices due to government failure to control

the age of the plant that their managers have contrived, so that they can judge the future competitiveness of their company. British Airways shows the age of each aircraft fleet in its report. Each company should publish a year-by-year table, showing the number of machines purchased during that year, and starting with those over 15 years old. A.J. Lucking, 20/17 Broad Court, WC2

Shareholders need to know

From Mr Leo Herzel.

Sir, Your editorial comment on managers' short-termism is probably right in arguing that more spending on R&D does not necessarily lead to more rapid growth of individual businesses and that, therefore, it would be rational for many businesses to cut rather than increase R&D expenditures. On the other hand, the pre-liminary report by a panel of the Innovation Advisory Board (described in the editorial) may also be right in urging the benefits of more R&D expenditures. Larger expenditures on R&D may have highly benefi-cial effects on national and

international productivity. The reason for this apparent contradiction is that in free markets it is very difficult for individual companies and countries to capture most of the benefits of their own R&D expenditures. The more abstract the research, the harder the problem is. In free market economies,

one would expect separate research businesses to step in to solve this problem for indi-vidual businesses. In the US, universities are, to some extent, doing that. But even if separate research organisations were perfect, that could not solve the problem of spill-over of benefits from R&D expenditures to other coun-Leo Herzel

Mayer, Brown & Platt, 190 South La Salle Street

If the EC was a state and applied to join the Community, it would be turned down on the grounds that it was not a democracy."

That is how Mr David Martin, the European Parliament's rapporteur on institutional reform, sums up the argument on the Community's "democratic deficit". The essence of the problem is by now well known: whereas at national level law is made by the directly elected representatives of the people, and policy is made by ministers responsible to them, at Community level this is not true. Community law, even though it takes precedence over national law, is made by ministers sitting in council. The lawmakers are thus one remove further away from the people, who did not choose them for that purpose. Moreover, the right to initiate legislation is vested exclusively in the Commission, a body not elected at all but appointed by national governments, and thus at a third remove from

the people.
As for policy, it emerges from a constant tug-of-war between different institutions, the influence of each varying with the subject at issue. Over-all responsibility is hard to locate, although the really big decisions are usually taken by consensus of the national heads of government, meeting as the European Council. Each of these is responsible to his or her national parliament, but neither they nor the Council of Ministers are collectively accountable to anyone. Only the Commission is notionally accountable to the European Parliament, which has the power to dismiss it, but has

never yet done so.

Thus every power that is transferred to the Community by the member states moves further out of reach of the citizen. It is recognised that this situation needs to be remedied, and this is one of the main reasons why it was agreed at last week's Dublin summit that the Community should now embark on the process of transforming itself into a political union: "political" in this context means "under the effective control of elected politicians". Civil servants will now be hard at work drawing up briefs for the intergovernmental con-ference to negotiate appropri-ate treaty amendments, which is to start in December. Several suggestions for democratising

the Community are offered in the pamphlets listed below. The most obvious way is to increase the powers of the European Parliament, thus making the Community more like the democratic nation states of which it is composed.

FOREIGN AFFAIRS

Balancing the 'democratic deficit'

Edward Mortimer considers rival proposals to make European institutions more accountable

by Mr Martin, who wants the parliament to share legislative power on an equal footing with the Council of Ministers. In effect, the Council would become a second chamber of the parliament, on the analogy of the Bundesrat in Germany, composed of ministers from the Land governments. He also argues that the parliament should be able to take the initiative in legislation when the Commission refuses to do so. In addition he would like the parliament to elect the President of the Commission, and to be able (by a two-thirds major-ity) to dismiss not only the whole Commission but individual Commissioners

That is the method proposed for a European Federal State". At the opposite pole is Mr William Cash, a loyal Thatch-erite member of the Westminster parliament, who seems to think no democracy is real unless it operates on a twoparty basis. For him the European Parliament is itself too remote from the people to act as an effective control. His main concern is to stimulate resistance to further federalist encroachments (including EMU), but he does also favour closer scrutiny of EC policy by national parliaments, and less secrecy by national governments about the legislation being prepared. It certainly does seem scandalous that the Council of Ministers in its leg-

What makes sense is for people to elect representatives to manage their collective affairs at whatever level they have important interests in common

I doubt if that last point islative capacity operates would work in practice. A President chosen by parliament defensible when delicate barand responsible to it would be in effect a federal prime minister beading his own cabinet. Rather than let parliament choose his colleagues for him, he would surely insist on col-lective cabinet responsibility, putting his own resignation on the line as soon any individual Commissioner was threatened with dismissal. But Mr Martin's general

idea, which is to turn the Com-munity into a larger version of one of its own member states a federal parliamentary republic - is fairly clear. It is supported, give or take a few details, by Mr Paddy Ashdown, leader of Britain's third party, the Liberal Democrats, who last week told the Royal Institute of International Affairs that he favoured "nothing less than a European government

gaining was needed in order to reach a consensus, even less so now when many decisions are taken by majority vote. Mr Alan Sked, of the London School of Economics, has a

more radical approach. He wants to make the parliament the sole legislature of the Community, with a European Cabinet responsible to it, while the Commission would be reduced to the role of a non-political civil service. The Cabinet would be composed of national ministers, resident in Brussels but chosen by, and members of, their national governments (which makes responsibility to the European Parliament sound rather theoretical), with the presidency rotating annually among its members. The parliament, however, would revert to being composed of

delegates from national parliaments rather than directly elected MEPs. It is hard to imagine that being agreed in

the present climate.

Mr Vernon Bogdanor, of Brasenose College, Oxford, is radical in the other direction. He shares many of Mr Cash's misgivings about the European parliament, but his solution is to complement it with direct elections for the President of the Commission and also with Europe-wide referenda, to make life more exciting. Parliamentary government, he suggests, is "showing itself highly susceptible to criticism" at the national level "because it seems unable to provide sufficiently for electoral participation and choice". So this is not the time to copy it slavishly at the European level.

I am sure he is right that we do not simply want to reproduce the old-fashioned nation state on a European scale. National sovereignty to me is a myth whatever the size of the unit involved. What makes sense is for people to elect representatives to manage their collective affairs at whatever level they have important interests in common. There is no obvious reason why we should need Mr Jacques Delors to tell us to produce cleaner drinking water, or Mrs Margaret Thatcher to tell us how much we want our local council to spend. Apparently this principle is called "subsidiar-ity", but I had believed in it for many years without knowing that, like Monsieur Jourdain speaking prose.
Another thing I believe in,

however, is representative gov-ernment, as explained by the late John Vaizey: "It's a marvellous idea: you elect all the bores, and they can go off and bore each other." Direct participation in politics is not how most of us want to spend our time, and when politics are well managed we should not have to. If the European Parliament were given a suitable job to do, the fact that ordinary Europeans were not constantly excited about it would be a good sign, not a bad one. Democratising the Community

by Vernon Bogdanor (Federal Trust, £2) A Democratic Way to European

Unity: Arguments against Federalism by William Cash MP (The Bow Group, £5) European Union and the Democratic Deficit by David Martin (John Wheatley Centre, Broxburn) A Proposal for European Union

by Alan Sked (The Bruges Group, £3.95) Steps towards European Politi-cal Union by Ernest Wistrich (European Movement, 52)

RHÔNE-POULENC Respect for nature, development of clean technologies, upgrade wastes; energy recovery; reduction of efficients in air and water, implementation of new processes to prevent and cope with harmful effects of effluents. Through its philosophy of corporate responsibility. Rhône-Poulenc works for the protection of the natural surroundings and helps to preserve tomorrow's world.

Strategy for a joint attack on debt and environmental problems From Mr Karl Ziegler. Sir, Your editorial comment programmes which they should already have formumust be encouraged.

("An outbreak of prudence," June 23) sagely puts forward the central dilemma facing leading western central and commercial bankers in seeking to dampen credit without snuffing out economic growth.

As leaders of the foremost industrial nations prepare for next week's Group of Seven summit talks in Houston these largely national discussions will broaden to address their global counterparts. Of particular interest will be their consideration of the timing, size and conditionality aspects of debt

and in the South. The dual problems of unserviceable sovereign debt and environmental degradation should be attacked jointly as they create an immediate opportunity for global co-operation. The idea is not to force unpopular programmes on the debtor countries, but to encourage them to carry out

relief and general economic

assistance to emerging democ-

racies both in eastern Europe

lated and which also benefit the rest of the world.

Debt relief should be made

conditional on the contractually binding incorporation in recipient country budgets of social, political, institutional and environmentally sound development programme Such programmes should be

formulated and proposed by indebted governments and might include commitments to stabilise deforestation, desertification, urban and industrial pollution, topsoil and fresh water loss and degradation. Institutional commitments to land reform, population planning, limitations on military expenditure and the use of environmentally sound industrial and agricultural policies might be encouraged.

Specific commitments to utilise new substitutes for chlorofluorocarbons might be timely and subject to agreed pricing and patent protection undertakings. Throughout, mechanisms for technology transfer

Such contractual programmes could justify ncreased reallocation of public funds to buy in and to freeze debt principal, for 30 to 40 years, with staggered and agreed reduction of debt princi-pal allowed if strictly moni-tored continued adherence to

these policies is witnessed.

Debt servicing would immediately cease, releasing local resources (supplemented possi-bly by closely monitored, limited, project finance) to implement many labour-intensive new initiatives, with an emphasis on sustainable new biologically based technologies and processes.

Purchase by sponsors should be negotiated with commercial, bilateral and multilateral (including World Bank) lenders at the maximum equitable discount, to magnify the cost-of-fectiveness of public funding. This could be negotiated above current secondary market prices, providing strong incentives for full bank co-operation. Traditional development

assistance funding, both bilateral and multilateral (including UN programmes), might well be channelled to assist this effort. Thereby, such funds could reach intended targets with a higher degree of cer-Over time, healthier democ-

racies, a lessening of the richpoor divide and environmentally and economically sounder and more credit-worthy trading partners should result from sustained dedication to this strategy. In view of the increased rhetoric about "multi-party demo-

cratically focused development" in evidence from Africa, Latin America, south-east Asia and eastern Europe, such programmes should help to make governments provide concrete evidence of their full accountability to all their citizens, while joining the North in addressing global problems in partnership. Karl Ziegler

6 Bradbrook House Studio Place Kinnerton Street, SW1

FINANCIAL TIMES

Tuesday July 3 1990



EC NOW BEYOND PARALLEL CURRENCY CONCEPT

Pöhl rejects UK plan for 'hard Ecu'

Wittenberg sees a brave new world

By Peter Norman, Economics Correspondent, in London

Committee's proposals for eco-nomic and monetary union

(EMU) in Europe.

In a lecture for delivery to the Institute of Economic Affairs, Mr Pöhl restated his support for a future European Central Bank System (ECBS) and the creation of a "common European currency to

He said that the British proposals to develop the Ecu as a parallel currency in the Com-munity partly followed ideas put forward when the European Monetary System was agreed in 1978. But the EC had moved far beyond this concept with the adoption of EMU as an objective and its inclusion in the EC treaty under the Single European Act.

Mr Pöhl's remarks were

By David Marsh in Wittenberg

THE STATUE of Martin Luther

on the market square in his home town of Wittenberg in

East Germany bears these

words of warning from the Great Reformer. "If the values are God's, they will endure. If

the values are man's, they will

Yesterday, in the midday sunshine, Luther frowned

down as the values and the wares of Mammon, brought in

by courtesy of the D-Mark,

went unashamedly on display.
As companies conducted their first day of business in a

free-market economy, workers at two factories staged warning strikes, East Berlin's 66 coal

dealers used their trucks to

block loading points, while the

strong on international mar-

MR Karl Otto Pöhl, the president of the West German Bundesbank, yesterday rejected the British Government's plan for a "hard Ecu" and European Monetary Fund as an alternative to the Delors Committee's proposals for ecoproposals. Earlier yesterday, the Bundesbank chief had a private meeting with Mrs Thatcher, the Prime Windows Thatcher, the Prime Minister, which British officials said was

which British unities said was very friendly.

However, in his speech, Mr Pöhl set out an uncompromis-ing vision of a powerful, inde-pendent central bank for Europe based on the Bundes-

bank's own experience. He said an EC Council of ministers decision of March this year, which recognised price stability as the prime objective of monetary policy, had created a "major new cross roads" from which to move forward to EMU. It was with this in mind that he was organising greater co-operation among EC

entral banks.

"If Economic and Monetary Treasury officials disputed.

On the first shopping day after the D-Mark became legal currency, Wittenbergers queued for a multinational selection of fruit and vegeta-bles and filed in front of shops

arrayed with brightly coloured

soap powders, toothpaste, toys, whisky and coffee.

The newly opened branch of the Deutsche Bank sits in the

corner of the square, a joint venture with East Germany's

Kreditbank in a building taken

over from the Communist cen-

Mr Thomas Teuber, a Deut-

sche Bank manager brought in from the Ruhr, said East Ger-

mans had shown strong inter-

est in saving their D-Marks. Mr Ralf-Rüdiger Hoffmann, a former Staatsbank employee

who is one of the joint manag-

trai bank.

Union is to be the goal," he said, "the commitment to price stability is indeed essential and must be vested in a European Central Bank System empow-ered to pursue it independently of instructions from Commu-

nity or national authorities."
Mr Pöhl appeared dismissive
about the need for a future ECBS to be democratically accountable. On this issue, which has generated much concern in Britain, he said: "If there is agreement that inflation is democracy's enemy number one, success in ensur-ing price stability should be taken as adequate testimony to the central bank's accountabil-

Differences between Mr Pohl's views and UK policies emerged in other areas. In contrast to the UK, he said responsibility for monetary policy could not be subdivided: "It has to be of one piece." He also said that the European Council had decided in favour of estab-

tions - centring on East Ger-

mans' worries about job losses

as companies confront market

the old system was there already," he says. "But as the

contours of the new system

become more clear, the fears are growing."

Mr Hans-Jochen Welter, owner of a small grocery shop

on the outskirts of Potsdam,

south-west of Berlin, said that

standing among his assortment

of new produce yesterday morning had made him feel almost like a stranger. But the

new stock - almost entirely

from the West, with only staple

goods such as sugar and flour from East Germany - was

"Satisfaction over the end of

Although Mr Pöhl said a future ECBS would in all likelihood have a federal structure the central element would have to be strong enough to assure policy consistency and operational efficiency. National central bank gover-

nors acting in the governing board of an ECBS would be expected to "act without any national mandate," he added. The Bundesbank president made clear that it would be some time before the EC was ready to move to a single cur-rency. During this period, the EC should seek to ensure that cohesion between national economies and currencles was

Commenting on German economic and monetary union, Mr Pöhl said he was sure that price and cost pressures in Germany would remain under control. The initial costs of union would be substantial, he said, "but the benefits to be gained after a difficult, perhaps even turbulent initial phase will be well worth the effort."

and export director of a state

owned chemical plant maker at Reinsdorf, a village on the road to Wittenberg, had no time to queue up for D-Marks. He was in Hamburg conferring with his new West German tax adviser on how to convert the

Mr Sonntag explained how

the company, with a previous turnover of 90m East German

Marks which had now shrunk

to about DM50m (\$29.7m), was preparing to lay off 250 of its

The company has a good stock of orders for 1991 and

1992, and export clients in West

Germany, the Soviet Union and in France. But productiv-

ity is only two-thirds of west-

etitors and it has

company's balance sheet.

800 employees.

Bush plans to make N-weapons last resort for Nato

By Lionel Barber in Washington and Robert Mauthner in London

SUBSTANTIAL changes in the defence policy of the Nato alli-ance, based on making nuclear arms no more than "weapons of last resort," are to be pro-posed this week by US Presi-dent George Bush.

His proposals to modify the doctrine of "flexible response" — the threat of using nuclear weapons to counter a Soviet invasion of western Europe - are the centreplece of a set of wide-ranging proposals cir-culated to allies in advance of the Nato summit in London starting on Thursday. The aim of the measures due

to be proposed by the western leaders is to reassure Presi-dent Mikhail Gorbachev that a refashioned Nato, including a unified Germany within its

names Germany within its membership, would not pose a threat to the Soviet Union.

The western leaders are also expected to agree to a Soviet proposal that the Nato and Warraw Pact constitute class. Warsaw Pact countries sign a joint declaration proclaiming their peaceful intentions towards each other. Nato is anxious that the declaration anxious that the declaration should not be a pact-to-pact document but should be signed individually by the member countries of the two alliances. Mr Bush will also propose the withdrawal of all US nuclear artillery shells from Enverse a move which Wash-

Europe, a move which Wash-ington's leading allies support. There is less of a consensus on Mr Bush's reported aim to pro-pose a modification of Nato's doctrine of "forward defence."

Mrs Margaret Thatcher, Britain's Prime Minister, said in a speech to Nato foreign ministers last month that the forward basing of nuclear element of the alliance's defence strategy. Given the political sensitivity for Germany of this problem, how-ever, Nato leaders are expec-ted to steer clear of too precise a definition of the issue.

Under existing Nato doctrine, which has endured for almost three decades, nuclear weapons could be used in theweapons could be used in the-ory in the early days of a con-ventional attack by the War-saw Pact if the western allies felt they were being overrum. By declaring that the Nato alliance would only use tactical nuclear weapons as a last resort, Nato would be modify-ing its flexible response strat-egy without, however, formally renouncing first use of

The US proposals are the result of consultation between the US and the West German Washington has been to mainvashington has been to main-tain Bonn's support for bring-ing a united Germany into Nato despite Soviet objections. The US blueprint also eaks alliance leaders to endorse the President's call for negotia-tions on short-range nuclear weapons and a promise to reopen immediate talks on a second round of conventional

THE LEX COLUMN

The lamps grow dim in Eindhoven

The long-awaited shake-up at Philips is a curious mixture: more expensive than expected in cash terms, but less radical than hoped for in strategy. The write-offs are not crucial to the belonger shock of El 3 the they balance sheet; at Fi 2.7bn, they are equal to only 16 per cent of shareholders' funds, rather less than Barclays Bank wrote off for bad debts last year. But they are equivalent to nearly three years' profits; and lack of profitability is Philips' central failing. Over the last three years its average return on operating assets - not countbeen 4.8 per cent. Its own bonds yield 9 per cent in the Dutch market. Borrowing at 9 per cent for a 5 per cent return is clearly a finite process.

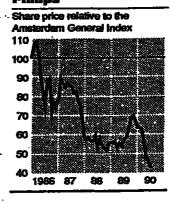
Mr Timmer's surgery, mean-while, looks less fearsome than predicted. Local cynics argue that the promised job cuts of 10,000 will come down to 5,000 after haggling. Philips has been losing that many jobs each year since the mid-1980s. The new emphasis on profit performance in rewarding managers and evaluating research serves only as a reminder of the uncommercial nature of the old Philips cul-ture. At yesterday's FI 30.70, the shares can no longer be assessed in terms of earnings; even at the operating level, Philips is now only breaking even. The shares would be worth a good deal more, of course, were the company dis-solved; but on yesterday's evi-dence, that kind of radicalism is as remote as ever from the Kindhoven philosophy.

Bundesbank

Mr Pöhl's diplomatically dismissive remarks about Mr Major's hard Ecn were not the only newsworthy item in the Bundesbank president's London speech. Investors should also focus on Mr Pöhl's talk about the need for the two Germanys to keep the lid on public spending. The Bundesbank is speaking about the combined public sector deficit rising from about DM80bn this year to DM100bn in 1991, as the costs of reunification bite. At 3.5 per cent of 1991 GNP, DM100bn would be manageable; but the figure is at the top end of most

So it was premature for the bond market to celebrate monetary union yesterday by driv-ing bench-mark yields below 8.7 per cent, and for equities to rise 1.6 per cent. In addition, as witnessed by the 16 per cent surge in orders at Hochtief, the construction company, the

Philips



West German economy is working right at its capacity limits. The Bundesbank also needs a lot more evidence about East German spending habits before it can stop thinking about tightening monetary

Consumer credit

Some banks, most notably the TSB, are insisting that the the TSB, are insisting that the UK is suffering its severest credit squeeze since the early 1970s. But yesterday's upward revision of the May retail sales data and the continued buoyancy of consumer credit continue to tell a different story. After eight months of record After eight months of record real interest rates, the UK cousumer refuses to lie down.

Admittedly, yesterday's 17 per cent fall in interim pre-tax profits from First National Finance Corporation, a survi-vor of the 1970s secondary banking crisis, suggests that borrowers are beginning to feel real pain. Provisions on con-sumer lending are climbing noticeably, partly resulting from customer arrears and the decline in house values. But earning assets are still 13 per cent higher than a year ago; and the strength of home improvement lending belies some of those tales of woe from the retailers. If the authorities want to retain any credibility they can ill afford an early cut in interest rates.

Berisford

Thursday's figures from Berisford are evidently going to be every bit as gruesome as the market fears. Granted, Tate & Lyle's decision not to bid is coloured by the fact that it would probably not be allowed to anyway. In helping the Monopolies Commission with its enquiries, it has stumbled upon an embarrassing degree of price collusion between British Sugar and its own sugar division. But Tate has had detailed access to Berisford's books in the meantime; and however large Thursday's write-offs, the real worry is that no apparent progress has been made in the time-con-suming business of actually seiling off the dud operations.

All the while, Berisford's market value falls like a stone. It is fair to assume that if Tate cannot justify the risk of a bid. no one can. The real question will soon be the other way round: not whether Berisford can contrive to sell its disas-trous odds and ends, but whether it can afford not to sell British Sugar. In the hands of the right buyer - Associated British Foods, for instance - that could fetch close to £1bn. From that must be deducted Berisford's debt mountain and the negative net worth of some of its other busises. The market presently values all that at £430m; but the margin of error, as Tate has evidently concluded, is frighteningly large.

Ratners

Mr Gerald Ratner's latest foray into the US certainly makes strategic sense but whether it adds up financially is a more difficult judgment. To pay over \$400m (including assumed debt) for a loss-making company with shareholders' funds of only \$50m shows. a high degree of confidence in the potential merger benefits. Ratners' hopes of avoiding earnings dilution are partly a question of timing. This year, profits will receive the full benefit of the Kay's Christmas season without incurring the full burden of the extra shares in issue. By the time those shares do count, the hope is that the \$20m of cost savings and the extra efficiencies provided by Steriin boosted Kay's profits substantially.

But there are real risks that Kay may prove too big and difficult an acquisition to swallow. Any company whose junk bonds are trading at less than 60 cents on the dollar has hardly captured the confidence of investors and the existence of a shareholders' lawsuit alleging misstatements by the management adds to the air of crisis. Many of the 1980s stock market stars fell through making one acquisition too many; the fear must be that, in chasing the Holy Grail of American market dominance, Ratners has fallen into the same trap.

ers, underlined the mixed emo-Marcos, Khashoggi acquitted of fraud

By Roderick Oram in New York

MRS IMELDA MARCOS, widow of the former Philippine president, was acquitted yesterday by a New York jury of racketsering and fraud charges concerning purchases of real estate, art and jewellery with some \$200m allegedly looted from the Philippines' Treasury. Her co-defendant, Mr Adnan

Khashoggi, the Saudi Arabian arms dealer, was also acquitted on charges he helped Mrs Mar-cos and her husband conceal their ownership of the prop-Mrs Marcos, who had been reading prayer cards while she waited for the jury to return to the courtroom, broke into sobs

as she heard the foreman deliver the verdict. She hugged her cowboy-booted lawyer, Mr Gerry Spence from Jackson Hole, Wyoming, and her sup-porters cheered loudly. Despite calling 95 witnesses to the stand, legal experts in from Switzerland for the trial.

New York said the prosecution had failed to provide more than circumstantial evidence that Mrs Marcos was aware how her husband had come by the money they so freely spent. Mr Spence, whose court room demeanour drew repeated criticism from Judge John Keenan, had explained to the jury how Mr Marcos became so wealthy. He had not, as the Philippines Government alleged, resorted to bribes and other schemes. Rather, he had discovered a gold hoard left in the Philip-pines by a Japanese general during World War II.

He readily admitted that Mrs Marcos was a "world-class shopper" but, he added, she was also a "world-class decent human being."
Mr Khashoggi, once one of the wealthiest men in the

world had been extradited



ment is reached in the current Sharp rise in US net debt fuels Congressional fears

By Peter Riddell, US Editor, in Washington

THE POSITION of the US as the world's largest net debtor worsened markedly last year as its net debt grew by 25 per cent to nearly \$664bn. Only seven years ago the US was the world's largest net creditor, but in 1985 it became a debtor for the first time since 1914.

The sharp turnaround in the US's net external position, a reflection of its large budget and trade deficits, has fuelled concern about growing US dependence on foreign capital, mainly from Japan and Europe. Yesterday's figures will add to growing debate in

Congress over the growing trend.

Annual figures prepared by the US Commerce Department show that US holdings of overseas assets rose by 11.6 per cent last year to \$1,410bn. However, foreign holdings in the US rose by 15.6 per cent to \$2,070bn. Consequently, the net debtor position of the US grew last year to \$663.7bn, from \$531.0bn in 1988.

Unlike previous years, the Commerce Department did not provide an estimate of the net debtor position as such, although this can be calculated from the data.

The department argued that estimates of the net international investment position were not useful measures as they consisted of components based on a mix of valuations, some current prices and oth-

ers, book or historic.

It said research suggested that if all components were valued in current prices the level of the net international investment position would be less negative than that com-puted by the Bureau of Economic Analysis for recent

"Much of the mis-statement is due to the direct investment positions, because they are stated in book values, which reflect prices at the time transactions occurred. Since US direct investment abroad is older on average than foreign direct investment in the US, it is subject to larger understate-ment," the department added. The published book value

figures show that US direct investment abroad rose by \$39.9bn last year to \$373.4bn, while foreign direct investment in the US increased by \$72bm to \$400.8bn, including several large acquisitions of US compa-

nies. than over Those criticising the scale of the US.

foreign takeovers of US compa-nies have focused on the con-trast between the two trends. While there is no dispute that overseas groups' invest-ments in the US are growing more quickly than US compa-nies' holdings overseas, there is probably less of a difference in the total level of invest-

Indeed, it is possible that, contrary to published figures based on book values, the current worth of US direct investment overseas, many acquired some years ago, is still higher than overseas holdings within

All of these Shares having been sold, this announcement appears as a matter of record only. April 1990



of 2,288,889 Shares of a nominal value of NOK 50 each

Rights Issue

each with a non-detachable Warrant to subscribe for one additional Share

Offer Price: NOK 127 per Share

WORLDWIDE WEATHER

UK exchanges agree to merge

warnings: ing the tre!

IBPERIES LEY

and Castrol makes

for itself

1973 T. 37 Cla #16. 200 940 87 to 174. 8 **建筑**, 164 元 175 元 3 Repolits fall 17% Here Prome Contains

Managaran Tarangan da Managaran Sanagaran da Managaran da AND THE STATE OF A PARTY international in Milenn Live ra

with of few word 75573748 g ಕ್ ನಿಧ್ವಿಯನಿ \$5.25 E. 60

Bustung men Baud Burdok 507 0.075 TOTAL SEEDING TO **4** 20000 74.6 Sec. Surber y PERCENTED TO EMBES FOR April 10 2000 (624, 16

Aberta Testing Fago Action: ENTel Medigerande state-num felic

FEW Cum 2 5536 Ade. Co. 4B101-501 6551 543 5 H LITTER TO Marine Total

his in this section

28 Corerati January January 22 25



de book and a service of the service

erali Manta di Anta di

然特殊的企业。201

ಸೀಮ ಮು. ಇ ಇತ

an dia bin da tabin

Marian de la companya de la companya

All marks (#1 months are also

11 E

1276 E.

Window & Door Systems for the World Market

> LB. Plastics Limited Tel: 0773 852311

FINANCIAL TIMES

COMPANIES & MARKETS

Tuesday July 3 1990



INSIDE

Profit warnings: reading the trend



They thrive in the Stock Exchange's twilight zone - often coming to life on a Friday after the market has closed but before the company news service shuts down at 6pm. Sometimes the announcement is baidly labelled "profits warning" — more often it is flagged as a "chairman's statement regarding current trading conditions." In the first six months of this year, the Financial Times has reported on 75 auch approximations. such announcements. From a low of four in March, the number of UK companies forecasting downturns grew to 19 in June. Andrew Bol-ger reports on the trend. Page 25

Burmah Castrol makes a name for itself



Twenty-four years after it bought Castrol from its family founders, Burman Oil has finally made management changes and adopted a name thatreflects the dominant role Castrol has come to play in the group's business. As Burmah Ces-trol, the group will now be run for the first time

from a unified head office. Lawrence Urquhart (above), the group's recently appointed chairman, said the new structure would be easier to understand. Castroi should be "given its place" he said. Page

FNFC profits fall 17%

First National Finance Corporation yesterday blamed continuing high interest rates for a 17 per cent drop in its pre-tax profits for the halfyear to end-April. The group, which straddles credit and residential property development, made an extra provision of about £10m (\$17.4m) against bad and doubtful debts. Chair-man Richard Langdon (above) said this showed FNFC was taking a "prudent approach" as a number of its customers came under strain. Page 29.

A company of few words



Generali, the Italian insurance group, is a bit of a puzzie to analysts.
While other insurers are
pushing through ambitious European expansion plans, General!
appears to be resting on its laurels. And the rationale behind its small number of recent expan-

Simonian found the group reserved and enigmatic at its annual meeting. Page 21

Correction: ENTel

ENTel is Argentina's state-run telecommunications network. On this page yesterday the group was incorrectly described as Mexican.

Market Statistics

Base lending rates Benchmark Govt bonds FT int bond service Financial futures Foreign exchanges London recent issues

London traded options London tradit. options Managed tund service Money markets New int. bond iss World commodity prices World stock mkt indices UK dividends amounced

Companies in this section

American Brands Aran Energy Ashley (Laura) BASF Bowthorpe
Burmah Oil
Central & Sheerwoo
City Sites Estates
Ciyde Blowers
Coal pension funds Crosby (James) de Morgan DFC New Zealand Electric & Gen Electronic Data Enimont FNFC

Ferromet

Forstmann Little

General Instrument

Hampson Inds Haziewood Foods Maffels Group Nobel Industries Northern Feather Norton Group Rand London Robertson Group Rockwood Rothmans Int'l Santam Scottish & Newcastle Stora Turkish Airlines Federale Volks

Wessex Water

Chief FRANKFUR		har	pares (FF)		da	У
Alfanz AG	2848 +	83	Bongrain	3319	+	49
Doutsche Bank	8115 +	16 205	Enromanche May Mihde	4200 1557	+	40
Signeris Palific	788.5 +	2013	Pells.	190/		42
Dragerwerk	338	4	CBIP	1329	_	18
Horten	258 —	9.5	presectorique	1356	-	44
. Resenthal	357 —	5	Sanofi	955	_	13
MEW YORK	(4)		TOKYO (Ye	A)		
· See inst	45 lg +	gig	Ensuiro Sugar	1060	+	100
Kay Jernalers	14% +	312		1590	+	
L i Lighting	20 +	4	ist larealiste	1760	+	
Falls	46E		Nippon Lace	1829	+	160
MGM/UA KV Philips	165g — 167g —	\$ 3	Hekicaldo Gas	1006	_	88
Smith-Caroos	5 k —	78	Mitsumi Elec	1450	_	100
New York pri	ces at 12.30	- I	'			

632 257 446

Ingersoll gives up his US empire

MR RALPH INGERSOLL, the US newspaper publisher, has abandoned his North American ambitions after a "technical default" on some of the \$500m of junk bonds arranged for him by Drexel Burnham Lambert, the invest-ment bank now in bankruptcy

he was giving up his share of his American newspaper companies to his partner, the New York investment firm of E M Warburg, Pincus. In return, he has been

were also until now jointly

The deal came after a six monthly interest payment on junk bonds issued by Community

Community Newspapers, which publishes newspapers in Ohio and Long Island, New York,

New Haven Register.

Mr Ingersoll is giving up his stakes in both these companies to Warburg, Pincus. In return, he takes control of Ingersoll Publications, the jointly-owned company involved in newspaper publica-tion in the UK and Ireland. No cash is changing hands. In 1987 Mr Ingersoll paid more

than £60m for a controlling inter-

Ratners

US acquisitions

Sterling The Westhall Company

Osterman Jewelers

Weisfield's

\$thousands

Net sales

Latest fiscal year

Sales per store

Five Stores, Northern Florida

Ringmakers/Allens Jewelers

Comparison between Sterling and Kay

the Coventry Evening Telegraph.
He later added a 50 per cent stake
in the Irish Press group.
Mr Ingersoll conceded that the
side of the business he is giving
up is larger than the one he is
taking over but, he said. This is really exciting. It's what I wanted to happen." He said that the

American papers, although good publications, had more debt that the European interests. Mr Ingersoll said Ingersoll Publications had annual revenues of \$178m, cash flow of \$40m and bank debt

July 1987

October 1987

March 1988

August 1989

December 1989

Kay Jeweiers

31/12/89

427,000

46

May 1988

Ratners Group

Share price (pence)

Mr Ingersoll has described his group in the past as being worth more than \$1bn net of debt. There have been setbacks since then, including the closure in April of the St Louis Sun, a new paper which lasted only seven

Community Newspapers is believed to have made an oper-ating loss of \$8m last year, with interest payments of \$48m a year. Together, these equal about half estimated annual revenues.

Tate abandons **Berisford**

By Clare Pearson in London

TATE & LYLE, the UK sweeteners group, yesterday unexpectedly announced that it was abandoning its long-mooted scheme to merge with Berisford International. Berisford, which

International. Berisford, which owns British Sugar, has been dogged by troubles with its US property interests.

The "possible detrimental effect of the merger" on the company's cane sugar margin, and the "value and status of certain Berisford non-sugar assets," were both cited by Tate as reasons for abandoning the offer. Tate also surprised the market with an admission that, in the course of investigations in connection with the merger, it had discovered that certain marketing practices of its own UK sugar ing practices of its own UK sugar business may have contravened competition laws.

Tate's withdrawal of its offer, which was never formally launched although under investigation by the Monopolies and Mergers Commission, came just days ahead of Berisford's interim results statement, scheduled for

According to weekend press reports, the company is not expected to pay a dividend and is also likely to unveil write-offs of more than £150m (\$255m) in respect of the company's New

York property interests.

Although the scrapping of the offer for Berisford was welcomed, Tate's reference to competition laws unnerved the stock

After an initial mark-up, the shares fell 6p to 299p.

Berisford said it noted the announcement "with considerable surprise." It reiterated a statement made last month that it had been approached by other potential bidders. Its shares closed 12p down at 100p. Shareholders and analysts had

earlier expressed concern about the financial strain on Tate if it bought Berisford. British Sugar has an estimated worth of between £800m and £1.2bn.

Mr Paul Lewis, Tate's finance director, said Berisford's failure so far to announce a sale of its US property business, which it had talked about earlier in the year, had been a big factor in Tate's decision.

Mr Lewis sa concerned about the threat that European Community aid to its cane-refining business would be removed were it also to own Berisford, Britain's beet refiner. In addition the company was worrled about price undertak-ings the MMC might demand.

given control of newspaper inter-53 weekly newspapers and nine the Coventry Evening Telegraph. ests in the UK and Ireland that dailies across the US, and the

proceedings.

He announced yesterday that

Ratners

to pay

\$412m

for Kay

By Maggle Urry in London

RATNERS Group, the UK

jewellery retailer, has made an agreed offer for Kay Jewelers, a

loss-making US retailer which

has 494 stores. The deal values Kay at \$412.2m, including debt

that Ratners is taking on.

It will be financed through a

convertible preference share issue in the US and a rights issue in the UK. Kay shareholders are being offered the preference

shares, each worth around \$17, on a one-for-one basis. The cash raised in the UK will be used to

buy Kay's junk bonds and pay its

Rainers' US stores to 900, taking it nearer to its declared target of

1,500. Rathers plans to sell some of the Kay stores which do not fit its plans, and analysts reck-oned this could raise \$60m or so

to offset against the purchase

Ratners' last rights issue, in

October 1988, was only taken up

by 35 per cent of shareholders and at the time Mr Gerald Rat-ner, chairman and managing

director, promised no further

rights issues for the foreseeable future. Yesterday he joked:
"Waith my lips. No more rights issues." The rights issue to raise £129.8m is a one-for-four, at \$220, may able in two install.

220p, payable in two instalments. If the merger does not go ahead the second instalment will be cancelled and the issue will

become a one-for-16 raising

group with \$150m of outstanding junk bonds and the merger is conditional on Ratners buying 50 per cent of these. Kay directors

£30.7m.

Kay 18

The deal will bring the total of

owned.

Newspapers was missed.

was jointly owned by Mr Inger-soll and Warburg, Pincus. Another jointly owned company, Ingersoll Newspapers, publishes

est in the Birmingham Post and Mail and Sunday Mercury and An insatiable appetite for deals

Maggie Urry looks at the strategy behind Ratners' latest US purchase

Number of stores

71

Sterling

3/2/90

137

25%

402,000

here is no doubting Mr Gerald Ratner's nerve. Since taking over the run-ning of his family company in 1984 there seems never to have been a time when he was not buying another company and employing his charm and wit persuading his shareholders to pay for it. There was even the occasion when he launched a rights issue before the previous one had closed in order to make two takeovers at once. In return, he has delivered rapid earnings

per share growth and all his deals appear to have worked. At times, Ratners' shareholders have been far from patient, and after the last rights issue, in October 1988, Mr Ratner had to promise there would be no more for the forseeable future. Ratners' shares have recovered somewhat, easily outperforming the dog-dull stores sector in the last year or

Mr Ratner's problem – if it is a problem – is an inability to turn down deals. His greatest regret was being persuaded not to push ahead in 1988 with a takeover of Gordon's, a US jewellery chain, later taken over by Zales, the leading US group.

The explanation behind yesterday's agreed bid for Kay Jewellers may prove to be that Mr Ratper simply could not bear to miss.

ner simply could not bear to miss another chance to approach his target of 1,500 shops in the US, and a 10 per cent share of the \$21hn US market. The deal will give Mr Ratner about 900 US shops in total after adding Kay's 426 shops, after planned disposals, to the 473

already built up through the Sterling jewellery business which Ratners acquired in 1987. which has been so successfully employed in the UK. There the aim was to reach 1,000 shops, and to win 50 per cent of the £4bn (\$6.98bn)jewellery market. Starting from about 130 shops in 1984, Rainers' UK chain has now

Operating income per store 15.6% Operating margin Bad debt write off Number of stores at period end Mr Ratner reckons the group's profit potential - once he reaches his UK and US targets is around £600m, which compares with the pre-tax profit £121.5m in the year to February 3. He claims the key to his success in the UK has been buying existing shops, quickly installing the Ratners' formula and squareing the inde-

formula and squeezing the inde-pendents, rather than emulating the rapid expansion of other retailers in the late 1980s which has led to severe overcapacity in the retail industry. Now Mr Ratner is attempting

the same trick in the US. Shareholders will be asking whether taking on a business the same and which has severe problems - some analysts say it was heading for a Chapter 11 filing - is biting off too much.

However, most analysts have been convinced that Sterling's management is top class. It has already taken over a number of other chains, rapidly moving

them on to Sterling's computer systems. Sterling's central com-puter has the capacity to take on the Kay stores, Mr Ratner says. A provision of \$100m is being made against Kay's bad debts and its unsalable stock. Overhead savings will be significant — perhaps \$20m a year — and buying terms will be improved further. The second question is whether

Ratners is paying too much this time round, it is paying \$852,000 per store, having paid \$1.8m per store for Sterling — justified by paying a premium for its management - and an average of \$968,000 for the other US acquisitions. On that basis, the deal does DOT TOOK 63 stores are in good shopping malls and the Kay name is as exploitable as Mr Ratner imagines.

But analysts are more doubtful whether the deal can be justified in earnings terms because of the way it is being financed. Kay is loss-making and has shareholder ing to pay \$112.5m for Kay's junk bonds and must take on nearly \$85m of debt, on top of paying \$215.6m for the equity. Mr Gary O'Brien, Ratners' finance director, argues that the deal will enhance earnings per share after the first year, but that it is more important to preserve the group's reasonably strong balance sheet. That is why convertible preference shares are being offered to the Kay shareholders and Ratners' shareholders are being asked for £129.8m through a rights issue to pay for the debt, All this paper will increase Ratners' fully-diluted equity capi-tal by more than 38 per cent, but

1985 86 87 88 89 90

will allow the group to pay cash for further smaller acquisitions. Mr Ratner needs the support of his shareholders one more time. Judging by the market response yesterday - the shares fell only 11p to 264p - the shareholders are, at least at first glance, ready to go along with Mr Ratner's latfunds of \$52.1m. Ratners is havest too-good-to-miss deal.

are recommending the offer and Ratners has received irrevocable acceptances from 34.6 per cent of the common stock holders. reached 950 stores, and its mar-Smith Corona warns of loss in fourth quarter and cuts payment

owned by Hanson of the UK, yes-terday warned that it expected to make a fourth-quarter loss and would be cutting its dividend.

The announcement continues a slide in the company's performance since shortly after Hanson sold off a majority stake to US investors 11 months ago. The US portable typewriter market is suffering from weak US demand and fierce price competition.

Mr Lee Thompson, the company's chairman, said earnings for the quarter to June 30 were expected to show a "small" loss because of inventory write-downs and non-recurring provisions from an overhead cost-cutting programme. He said management would also be recommending a

SMITH CORONA, the US cut in the quarterly dividend to manufacturer of portable type-writers which is 48 per cent from 15 cents after the payment due on July 6. Shares in Smith Corona fell \$% on the news to close at \$5% on the New York Stock Exchange.

The shares were floated at a price of \$21 late in July last year but within weeks fell sharply when the company announced lay-offs.
They have dropped further as Smith Corona's performance has deteriorated. Shareholders are

suing both the US company and Hanson, alleging important infor-mation was omitted from the flotation documents. Net income has fallen from \$16.3m in the first quarter, to \$12m in the second and \$6.1m in the third quarter.

ures on "continuing sluggish eco-nomic conditions" and "dumping on the part of Far Eastern manufacturers" in the US. He declined to quantify the inventory write-down to be taken in the fourth quarter, which follows similar action in the second quar-ter. But said the company, which claims some 55 per cent of the US market for portable electronic typewriters and personal word processors, continued to lead the industry and was pleased with the growth of its international

Wall Street analysts said that since write-offs did not consume cash, the cut in the dividend prompted questions as to whether the company was moving into losses at an operating level or needed to conserve funds Mr Thompson blamed the figfor capital investment.

General Instrument sold for \$1.6bn

By Roderick Oram in New York

GENERAL instrument, a leading supplier of components to cable and satellite television compa-nies, has agreed to a \$44.50 a share cash takeover offer worth \$1.6bn from Forstmann Little, a New York buy-out specialist.

The transaction is one of a mere handful of buy-outs for which financing has been available since the collapse of the junk bond market last autumn. Forstmann Little was responsi-

ble for another big buy-out in February when it agreed to pay Chrysler \$825m for Gulfstream Aerospace, the maker of executive jets. It says it has an advantage in doing deals because it can draw on a fund to provide subordinated debt for buy-outs financed by the investors who also provide the equity in the deals. Other buy-out specialists have typically relied on the public markets to fund takeovers. Mr Ted Forstmann, a general

partner in the buy-out group, said General Instrument had a dominant position in its business, predictable cash flows, and growth potential.

Mr Frank Hickey, General Instrument's chairman, said in his first quarter report, however, that moves afoot in Congress to reregulate the cable television industry "may cause some delay in the capital spending plans of our customers." This factor "could have a temporary short-term effect on our business," he said.

The company, which also makes lottery and wagering systems and electronic components, reported net profits of \$98.7m, or \$2.74 a share, on sales of \$1.38bn for its fiscal year ended February, up from \$85.5m, or \$2.43, on \$1.30bn a year earlier. General Instrument said Mr Hickey had no further comment

on the agreed hid beyond a one-

paragraph statement recommend-ing the bid to shareholders for its "excellent value." General Instrument's stock

price jumped \$8% to \$44% yesterday morning but Mr Forstmann said he did not expect another bidder to emerge.

The buy-out group is putting up some \$900m for the deal in a ratio of about three parts subordinated debt to one part equity. Both chunks of money are coming from Forstmann Little's investors, mostly large pension funds and wealthy individuals. The subordinated debt carries

points over five-year Treasuries
- considerably cheaper, said Mr Forstmann, than more expensive forms of debt such as junk bonds. Forstmann Little will also borrow 51bn which has already been committed by Manufacturers Hanover and Continental Bank of

an interest rate of 100 basis

What makes our new factoring company different? 25 years'experience.

As H&H Factors, we have long specialised in helping growing companies who need additional working capital.

Now we have a new set of initials to reflect new strengths. TIH is the result of a partnership between Trade Indemnity, the UK's largest credit insurer and Heller International, Chicago, the world's largest factoring

You can benefit from our increased technical and financial backing, as we extend our services in Factoring and Invoice Discounting in the UK.

Of course, the friendly way in which we work with you to build your business will continue. Every client has an individual programme - many are confidential and none would inhibit your existing banking arrangements.

Trade Indemnity-Heller

Commercial Finance Ltd

We can release the capital you need from your own sales. Speak to Paul Roots on 081-681 2641 and experience the difference we can make. TIH - the new name for H&H.

MAKING YOUR CASH FLOW PARK HOUSE, PARK STREET, CROYDON CR9 IRD. REGIONAL OFFICES IN STOCKPORT, BERMINGHAM, BRISTOL, GLASGOW.

INTERNATIONAL COMPANIES AND FINANCE

Enimont disposes of **Auschem** for L110bn

By John Wyles in Rome

ENIMONT, the Italian chemicals joint venture, yes-terday booked L110bn of the L1,500bn (\$1.23bn) it is hoping to raise through asset disposals by selling its control of Auschem to Italy's Gruppo

Auschem, a quoted company which manufactures chemicals for the textiles and other industries, has been judged a non-strategic business by the Enimont management which is currently under the control of Mr Raul Gardini's Montedison

The joint venture's business plan, contested by its 40 per cent shareholder Eni, the state energy company, plans to dispose of around L1,000bn of assets in the second half of the year, having aiready opened negotiations on businesses worth around L500bn.

Purchase of Enimont's 51
per cent of Auschem satisfies
the desire of the Gruppo Maffeis — whose chemicals activities are controlled by the Maffeis family of Bergamo - to take control of a quoted com-

With its 437 employees and six production plants in northern Italy, Auschem made L1.6bn net profits last year on sales of L178bn and its link-up as creating the basis for a flu-ids and detergents group in Italy better able to withstand international competition.

• SKF, the Swedish ball bear-

ing manufacturer, said yester-day it acquired Italy's Gallino Gomma, a producer of sealing devices for machinery, for an undisclosed sum. SKF said Gallino had annual sales of around SKr100m (\$16.5m) and was based in Turin, writes Our Financial Staff.

The purchase was part of SKI's strategy to become a world leader in sealing equip-ment, the Swedish company said. SKF agreed last March to acquire US seal manufacturer CR Industries, with annual turnover of SKr1.7bn. Gallino Comma is the leading Italian manufacturer of oil seals and has 250 employees. SKF is the biggest European bearing seal producer but relatively small in oil seals.

Alan Cane on how cooling demand, intensifying competition, and rising costs are squeezing producers

HE announcement yesterday by Philips of a Fl2.7bn (\$1.44bn) charge to cover the alimning down of its struggling computer activi-ties is ample evidence that conditions

ties is ample evidence that conditions in the European computer industry, already tough, are getting tougher.

Every sector of the industry is affected, from mainframe computers and minicomputers to personal computers, software and services. Mr Carlo De Benedetti, chairman of Olivetti, encapsulated the position when he warned the Italian company's share-holders last month that it was going to be "another very difficult year."

Competition is intensifying as US

and Pacific Rim manufacturers turn their attention to Europe to compen-sate for declining sales in the US com-puter market, stagnant for several

The picture is particularly grim in the UK, at present the softest market in western Europe through a combina-tion of high interest rates and poor economic outlook.

It is hitting US manufacturers, such as Digital Equipment, the second largest computer manufacturer, who have traditionally looked to the UK for strong and sustained growth. Across the board, however, growth in Europe is probably less than 10 per cent a

workstations, it remains substantial. According to the market research organisation Dataquest, the market for high powered workstations grew from \$1.43bn in Europe in 1988 to an esti-

mated \$2.06bn in 1990.
The industry is slowing down, however, and many companies are experiencing sharp contraction pains. This slowdown is proving especially arduous for software and services companies which have had some five years of annual growth rates in excess of 20 per cent. Many of their middle and junior managers have never before had to cope with an industry running

The reasons for the slowdown are complex. An underlying cause is the relentless pace of technological advance, which is forcing companies to spend heavily on research and development to maintain a competitive position while driving down prices and cutting heavily into margins.

Associated with these developments

is the growing acceptance of industry standard systems based on standard microprocessors and industry-wide or "open" operating systems which allow several people to use a personal computer or workstation simultaneously.

According to Dataquest, the market for multi-user PCs with Unix, the most

from \$788m in 1988 to \$2.9bm in 1989. business is growing at 30 per cent com-pared with under 10 per cent for the whole huginess

The costs of developing systems based on standard components are sig-nificantly lower than those involved in proprietary technology. Companies which failed to make the change to industry standard systems quickly enough are finding their costs out of line with the competition in a fast

growing market.
Plunging profitability at Philips, for example, was attributed by its outgo-ing president Mr Cor van der Klugt to losses of "hundreds of millions of guilders" in its information systems divi-

s part of the far-reaching reor-A ganisation announced less month - and which led to the financial charges announced yesterday - the company said its data systems product group would drastically prune development of proprietary products ucts and open system."

Local circumstances, however, are

playing a big part in the performance of individual national markets. The strength of the lire, for example,

detti thought it could cost the com-pany L100bn (\$82m) this year. He believed that Olivetti had made the change to open systems in time and that it was "on the right road." Orders for the first five months of the year were, significantly, 13 per cent

absorbing its compatriot Nixdorf, the small computer maker which failed to move quickly enough to open stan-dards or to keep costs in line with revenues. Its home market is healthy, however, and overseas subsidiaries report satisfactory growth with no real evidence of customers postponing com-

In the UK, customers are delaying large orders and postponing major projects. DEC blamed a 90 per cent fall in profits in its third quarter on softness in its two principal markets, the US and the UK

Mr Geoffrey Shingles, UK managing director and a company vice-president says the reason the company is likely to grow less than 10 per cent in the UK this year compared with 20 per cent annually in earlier years is a purchasing slowdown among a small number of very large customers. The company had also been slow to move to stanMr Shingles' answer has been to slim down the organisation. It has not taken on new staff since September.

Some 300 people have already gone and Mr Shingles is looking for another 450 redundancies in the next year. ICL, a subsidiary of STC, was one of the earliest European companies to commit to open systems. It was, as Mr Peter Bonfield, ICL chairman agrees, a

when there was no certainty that Unix would become an open standard. It has paid off, however, in terms of several years of sustained profitability. And 350 of its "hottest" Unix computer, the DRS 6000 workstation, worth £350m have been shipped since

substantial gamble in the early 1980s

But high research and development costs were incurred in the process, which were partly behind a profits warning delivered last month by Mr Arthur Walsh, STC chairman.

Both DEC and ICL are anxious to cut costs by improving distribution through third parties. ICL, for example, plans to extend sales of the DRS 6000 through original equipment manufacturer agreements.

Cost cutting and moves to open systems may be too late for some companies and further rationalisation in the European industry is expected.

Computer industry hardens against softening market | Danish duvet maker prepares for growth

plant se

hkaans

FC. New 1

78555 SEC

in the second

1125 1125 1144

ETTE -

AND PROPERTY.

the terms of

変電 報告 エデュー

agenta a de tal

By Hilary Barnes in Copenhagen

DENMARK'S Northern Feather, one of Europe's leading suppliers of duvets, is bedding down for international growth.

The group requested a suspension of its Copenhagen Stock Exchange quotation yesterday while it negotiates international co-operation with leading textile companies in North America, the Far Rast and Europe, launching the group "on a new phase of inter-national expansion."

Northern Feather doubled its turnover to DEr2.6bm (\$410m) last year after acquiring Chatham Manufacturing Com-pany, the US manufacturer of textiles, home furnishings and bedding equipment. Net profits increased from DKr45m in 1988 to DKr72m.

Yesterday's statement gave no details on the agreements under negotiation or with whom the negotiations are tak-

ing place. But moving up on the downside is Northern Feather's strategy. "Only the largest businesses with an interna-

tional background have a posi-tive and constructive future," Some 95 per cent of Northern Feather's operations are out-side Denmark through 15 facto-

ries in Europe, eight in North American and five in south-east Asia and Australasia. Results in the 18-month fiscal year ending in September will be in line with the half-

year interim, said yesterday's statement.

Hungarian deal

West German metals, chemifurther 30 per cent interest has been bought by another West German company, Kori KG, of

The remaining 40 per cent of

Turkey plans to sell part of state-owned airline

By Jim Bodgener in Ankara

THE Turkish Government has decided to sell part of state-owned Turkish Airlines which

needs a capital infusion to fund a series of aircraft acquisitions. Turkish Airlines wants to Turkish Airlines wants to increase its paid-in capital to TL700bn (\$264m) from TL150bn. The TL350bn required this year will probably be raised partly through the sale of shares, and partly from the resources of the Public Participation Administration (PPA) which orehestrates tion (PPA), which orchestrates the Government's denationalis-

ation programme.
With a healthy cash flow, the airline is over the peak of debt servicing contracted largely from orders for 14 Airbus 310s in the 1980s, said Dr

Cem Kozlu, general director. In 1969, it met debt servicing of \$150m in capital and interest repayments, and an additional bill of \$62m for equipment, and that was before its capital had been increased to TL150bn. In the first four months of this

and the second of the second o

year, revenues were about

Revenue per passenger kilometre was up by 23 per cent in the first five months of the year compared with January-May 1988. Passenger load factors increased by more than 40 per cent and cargo by 33 per cent, reflecting increasing numbers of tourists travelling with the airline, and recovery in the Turkish economy generally, said Mr Kozlu.

Turkish Airlines' most recent aircraft deal, valued at \$350m, placed leasing orders with GPA and ILFC, the two leading international aircraft leasing concerns, for 10 new mid-range Bosing 737-

To develop long-haul routes, the airline has already committed itself to the purchase between 1993 and 1997 of five Airbus 840-300s worth more than \$300m. It has an option for five more in the two follow-

COMPANY NEWS IN BRIEF

VISA International, the credit card organisation, has intro-duced new systems to make the Visa card more acceptable by hotels, airlines and car rental companies, writes David

The organisation predicted yesterday that the changes would produce an increase of \$450m in revenue over the next three years for its member issuers in Europe, Africa and the Middle East Visa said the changes included new authorisation

systems and operating procedures to streamline the card's use in the travel and entertainment industries. The moves are an attempt by Visa to capture more of the plastic card market currently dominated by issuers such as American Express, and also to take more of a market where

40 per cent of transactions are still paid for by cash or cheque. ■ Générale Bank of Belgium said it sold its 23.15 per cent stake in European American Bancorp to Amsterdam-Rotter-dam Bank of the Netherlands following approval of their agreement by US bank regula-

tors, Reuter reports.
Générale said it made a capi tal gain on the share sale but did not disclose the price. It decided to sell the stake because it overlapped with its branch activities in New York.

■ Heidelberger Zement, the West German construction supplies concern, expects group sales to rise around 10 per cent in 1996 to about DM2.2bn (\$1.32bn), AP-DJ reports. But the company said rising operating outlays have been sapping profitability and keeping earnings from growing in line with sales.

■ Robert Bosch, the privatelyowned West German electronics group, said it had set up a joint venture with East Germany's FER Fahrzengelektrik to manufacture car parts in Eisenach, Reuter reports.

Bosch said the new venture. Robert Bosch Fahrzeugelektrik Risenach, still needed approval by the Federal Cartel Office.

Statoil to take 80% stake in methanol plant venture By Karen Fossii in Oslo

STATOIL, Norway's state oil company, is to spend a total of NKr4.2bn (\$655m) on two projects involving the construc-tion of a Norwegian methanol plant and the time-charter of five big oil tankers currently under construction.

For the methanol plant, in which Statoil will have an 80 per cent stake and operating responsibility, the company has agreed a joint venture with the Norwegian unit of Conoco and its parent company Du Pont, the US chemicals group. These will together have the remaining 20 per cent

The plant, which is scheduled to come on stream in 1996, is to be built at an as yet unchosen site in mid-Norway and will have an annual production capacity of 830,000 tonnes of methanol, which will cover between 15 per cent and 20 per cent of western Europe's

The plant will be supplied

Statoil said the development of a methanol business represents the first large-scale natural gas application in Norway, which will widen the range of

with 750m cubic metres

annually of natural gas from

the big Heidrun offshore oil

and gas field which is sched-

uled to come on stream in

the company's petrochemical activity and may provide a basis for other chemical/petrochemical upgrading. Separately, Statoil said it had awarded three time-charter contracts worth NKr2.2bn for five Afra-max type crude oil tankers to Norwegian shipping companies E.B. Aaby, Chris-tian Haaland and M.J. Ludwig

The contracts have a duration of between five and 10 years with options for extending them beyond 10 years. The new contracts increase Statoil's fleet to 28 crude oil

Mowinkel Rederie.

METALLGESELLSCHAFT, the

cals and trading group, has acquired a 30 per cent stake in Ozder Stahlwerke, a newly formed Hungarian steel processing group, for an undis-closed sum, AP-DJ reports, A Baden-Baden

Ozder will be retained by a new Hungarian state holding company OKU.



I.C.I. International Finance Limited

U.S. \$100,000,000

63/4 per cent. Convertible Guaranteed Bonds due 1997

unconditionally and irrevocably guaranteed as to payment of principal, premium (if any) and interest by, and convertible into Ordinary Shares of,

Imperial Chemical Industries PLC

Notice of Early Redemption

On behalf of the Issuer, S.G. Warburg & Co. Ltd. hereby gives notice to holders of the above-mentioned Bonds of the Issuer's election to redeem the outstanding, unconverted Bonds on Friday, 24th August, 1990 at 10014 per cent. in accordance with Condition 6(B) of the Bonds.

Consequently on Friday, 24th August, 1990 there will become due and payable upon each outstanding Bond the principal amount thereof together with the premium and accrued interest to said date, at the office of the Principal Paying Agents-

S.G.Warburg & Co. Ltd. 2 Finsbury Avenue, London EC2M 2PA

or at the office of one of the other paying agents named on the Bonds.

Accrued interest will be calculated on 323 days and will amount to US\$60.56 per Bond. Interest will cease to accrue on the outstanding, unconverted Bonds on Friday, 24th August, 1990, and these Bonds will become void unless presented for payment within a period of 12 years from that date. Matured Coupons will become void unless presented for payment within a period of 6 years from the due date for payment thereof.

Bonds for redemption and payment should be presented together with all unmatured Coupons, failing which the amount of the missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing unmatured Coupons. Such Coupons will become void unless presented within a period of 12 years from Friday, 24th August, 1990.

Notwithstanding the foregoing, the holder of any Bond will, at any time up to and including 17th August, 1990, have the right to convert the principal amount of such Bond into Ordinary Shares of Imperial Chemical Industries PLC at the conversion price prevailing at the time of conversion in accordance with the Terms and Conditions of the Bonds.

3rd July, 1990



ICI Finance (Netherlands) N.V.

£100,000,000

81/2 per cent. Convertible Guaranteed Bonds due 1999

unconditionally and irrevocably guaranteed as to payment of principal, premium (if any) and interest by, and convertible into Ordinary Shares of,

Imperial Chemical Industries PLC

Notice of Early Redemption

On behalf of the Issuer, The Chase Manhattan Bank, N.A. hereby gives notice to holders of the above-mentioned Bonds of the Issuer's election to redeem the outstanding, unconverted Bonds on Friday, 24th August, 1990 at 103 per cent, in

accordance with Condition 6(C) of the Bonds. Consequently on Friday, 24th August, 1990 there will become due and payable upon each outstanding Bond the principal amount thereof together with the premium and accrued interest to said date, at the office of the Principal Paying Agent:-

> The Chase Manhattan Bank, N.A. Woolgate House, Coleman Street, London EC2P 2HD

or at the office of one of the other paying agents named on the Bonds.

Accrued interest will be calculated on 309 days and will amount to £72.96 per Bond. Interest will cease to accrue on the outstanding, unconverted Bonds on Friday, 24th August, 1990, and these Bonds will become void unless presented for payment within a period of 12 years from that date. Matured Coupons will become void unless presented for payment within a period of 6 years from the due date for payment thereof.

Bonds for redemption and payment should be presented together with all unmatured Coupons, failing which the amount of the missing unmatured Coupons will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing unmatured Coupons at any time within the period expiring 6 years after the date for payment shown thereon.

Notwithstanding the foregoing, the holder of any Bond will, at any time up to and including 17th Angust, 1990, have the right to convert the principal amount of such Bond into Ordinary Shares of Imperial Chemical Industries PLC at the conversion price prevailing at the time of conversion in accordance with the Terms and Conditions of the Bonds.

Holders who elect in respect of some or all of their Bonds or Coupons to receive any payment in U.S. dollars must give irrevocable notice thereof, not less than ten Business Days (as defined in the Trust Deed) prior to the due date for payment, by lodging such Bonds (together with all unmatured Coupons to be surrendered therewish) or, as the case may be, Coupons, together with a duly completed form of election (supplies of which will be available from the offices of the Paying Agents), at the office of the Paying Agent from which payment is desired. The lodging of such form of election in respect of any Bond shall terminate any conversion right in respect of such Bond.

Now Rob.

 Δz_{2} Introdu The Rosect B. The for years, a This quality is main all mon 41, 22 4

Case Postale 114, C

Sanlam seeks full | The secret life of an Italian insurer

Afrikaans group

SANLAM, the South African insurance group, has made a holders amounts to 460 cents per share, a 53 per cent precontrol of Federale Volksbeleg mium over a 300 cents market SANLAM, the South African gings, one of the most significant symbols of Afrikaans involvement in the business .

nish

My Barnes in

March of Control

TOUR TOUR STATE OF THE STATE OF

Manufacture of the control of the co

Im.
Play a state of the state o

Mortes of the second

So her cent of the special part of the special

15 42 10v 15

F end of the second sec

igarian de

LOE STATE OF A

Supplied to the second of the

Marin of Same

FOREST THE E

ાટ 1004

100

ARE'S

Fed Volks began in 1940 when members of the Afriksans community got together to form a company which would increase their involve-ment in business, then domi-nated by English speakers. The first main sector it became involved in was fishing when it took a stake in Marine Products. Cash flow from there allowed a later diversification into mining, banking and chemicals.

Sankorp, the industrial arm of Sanlam, has 63 per cent of Fed Volks equity and will support a scheme of arrangement which will result in the delisting of Fed Volks. Institutional and other investors holding a further 22 per cent of the equity have undertaken to vote in favour of the scheme.

price before the shares were suspended recently. Shareholders have an option of taking a mixture of equity and cash.
According to Mr Peet van
der Walt, Fed Volks chief exec-

utive, the main reason for the scheme is that large amounts of capital will have to be raised for various of its subsidiaries and this will be very expensive given the current poor share price. Fed Volks performed poorly in the year to March, with earnings per share down

33 per cent.
A further rights issue would also be unlikely to find favour with minorities, already called upon in 1986 and 1988 to pro-vide fresh capital, and this would further depress the share price. Mr van der Walt belignes a dalicting will clien believes a delisting will allow for quicker growth and avoid the long consolidation period which would result if it were to remain a public company.

DFC New Zealand creditors reassured

By Our Financial Staff

CREDITORS of DFC New Zealand, a merchant bank which collapsed last October owing NZ\$2.2bn (US\$1.3bn), were told yesterday their claims should be met in full.

This represents an improvement on an earlier estimate that only around 75 per cent of the debts could be repaid. However, some creditors would have to wait longer than seven years, and interest rates in the meantime would be below mar-

The plan emerged as part of a restructuring proposed by Mr Sandy Maier, the statutory manager who was installed at the former government-run institution. Creditors will be asked to decide on the mea-

sures next month. Those with an exposure to

DFC include several large Jap-anese institutions, which were particularly distressed because they understood that their loans were covered by New Zealand Government backing even after the company was

In 1988, the Government passed control of DFC to the National Provident Fund, a public servants' pension fund, and Salomon Brothers of the

US took 20 per cent.
For its latest year to March,
DFC's net loss was given as
NZ\$1.02bn. Provisions for loan losses have been lifted to NZ\$784m from an original esti-mate of NZ\$700m, while a total of NZ\$167m has also now been allocated for future deterioration in credit quality and non-loan related items.

INTERNATIONAL COMPANIES AND FINANCE

control of diverse | Haig Simonian on Generali's apparent lack of European strategy

annual general meeting of Generali, Italy's biggest insurance company, revealed little about what is going on at the reserved Trieste-based group, and said even less as to where it is

going. Like Allianz, its bigger West German rival, Generali's dominant domestic position, its huge property portfolio and its immense investment income have created an aura of invincibility which has stifled questioning and reinforced a repu-tation for non-disclosure which makes even the Germans seem talkative.

But unlike Allianz or Groupe Victoire in France, both of which are pushing through ambitious European expansion programmes, Generali, whose chairman is the veteran Mr Enrico Randone, seems to be resting on its laurels. Even Fondiaria, its much smaller domestic counterpart, has sealed co-operative pacts in France and Germany. By con-By contrast, Generali has fiddled.

Admittedly, the company currently generates 74 per cent of its L11,974bn (\$9.8bn) net premium income abroad - a higher proportion than many European competitors. Italy, however, is a small insurance market, only accounting for 7.9 per cent of total European Community premium income in 1988, against 32 per cent for Germany and 23.6 per cent for

The reasons for Generali's inaction are complex. For many Italians brought up on a diet of gossip and conjecture, its failings are enmeshed in the machinations, real or imag-ined, of Mediobanca, the pow-erful Milan merchant bank, with which it is closely associ-

Meanwhile, many foreigners seem not to care. For the average non-Italian fund manager underweight in Italian stocks, Generali is a blessing. Not only does it have by far the highest capitalisation of any company on the Milan stock exchange, it is also one of the few big quoted groups which is not dominated by a shareholders' pact or a prominent family.

Thus foreign institutions know they can safely deal in size in Generali shares on the otherwise not always liquid and often rumour-prone Milan puzzled as to why it should bourse. Moreover, the thought have spent \$285m on a 95 per

rue to form, Saturday's that Generali's strategic lapses may turn it into a takeover target adds extra interest for some. Others may be punting on the possibility that Mediobanca is losing its grip.

In most of its recent expan-

sion attempts, Generali has failed to show the same surefootedness as its foreign rivals. Its bungled 1987 bid to win Compagnie du Midi, the French insurer, ended in fail-ure when Midi struck a defensive deal with Axa, another big French insurer, leading to a substantial dilution in Generali's stake and a hefty writedown

cent stake in Business Men's Assurance, a US life group based in the mid-West.

Not only do many analysis view the acquisition target as mediocre at best, but they cannot see the strategic sense in it for Generali. "It doesn't really give them anything," says one, suggesting that Generali should have tried to net a bigger fish if it was really serious about developing a US life

Yet none of Generali's recent moves has been odder than the attempt late last year to buy a 13 per cent stake in Nuovo



Enrico Randone: bids speculation "pure journalists' fantasy"

With just over 16 per cent of Axa-Midi today, it is hard to see what Generali has got for its money. Certainly, Axa-Midi's dividend yield of around 2 per cent is a poor return on the L1,250bn, if not more, the Italians are thought to have

The jointly-owned company established after last Septem-ber's long-awaited "collabora-tion agreement" between Generali and Axa-Midi as the vehicle for future insurance acquisitions has yet to make a

Responding angrily to jour-nalists' questions, Mr Randone described any speculation on possible bids as "pure journal-ists' fantasies." Generali was not even involved in Axa-Midi's participation in the abortive Hoylake bid for BAT. Generali's latest takeover in

March shows little more savvy, analysts say. Many remain

in its expensively bought Banco Ambrosiano (NBA), now Italy's biggest private bank fol-

lowing its merger with Banca Cattolica del Veneto.

The failed plan, which left Generali with just half the shares it wanted, lent weight to those suspecting the private agenda of Mr Enrico Cuccia, Mediobanca's veteran guiding spirit, than any logic for the insurer.

Yet even if Generali were just the tool in a long-term strategy to merge NBA with Banca Commerciale Italiana (BCI), as a first step towards creating a new Italian financial powerhouse with which it would then combine, the plan has not worked. Last week, it was revealed that BCI is indeed discussing possible links - thought to include cross-marketing – with an insurer. However, the company is Fon-

diaria, not Generali. According to Mr Randone. the holding in NBA shares "could be strategic but it could not. One thing doesn't rule out the other."

Whatever its strategic lapses, Generali produces impressive profits and dividend growth. Consolidated group net earnings rose by 11.7 per cent to L570bn last year, prompting a L20 a share divi-dend increase to L350 per ordinary share and a one-for-10

But even its earnings record may not last. With a booming real estate market in Italy and soaring city-centre rents, it is hard to tell how much of Generali's profits stem from sitting back on its crown jewels rather than clever portfolio

"It's hard to go wrong if you own most of Saint Mark's square in Venice or a large chunk of central Vienna," says

one analyst.

For the real challenges facing Generali still lie ahead. In common with other Italian insurers, it faces two major problems.

 With motor insurance comprising the bulk of non-life policies in Italy, insurers will con-tinue to take heavy underwriting losses until the Government, which sets tariffs, allows premiums to go up. That seems unlikely at prese

Things will only change when companies start to go bust," according to one analyst.

While Generali is partly cushioned by its earnings on the life side, which account for some 45 per cent of its domestic group premium income, some observers even doubt the much-vaunted growth potential of the Italian life market. • More important, Italian insurers have to develop new

distribution systems. At pres

ent, agents have territorial

exclusivity, meaning they receive commissions irrespec-

tive of how a policy is sold in their patch.
That has stifled attempts to develop new sales methods, such as the bank-insurance links forged in Germany in the past three years. Moreover, the heavy cost burden of the current system will handicap domestic insurers once the market is thrown open to full

competition after 1992. As usual, none of these questions were adequately addressed by Generali's board at its shareholders' meeting. But they are precisely the issues the company will have to confront if its future is to live up to its glittering past.

ALLIANCE LEICESTER Alliance & Leicester Building Society £200,000,000 Floating Rate Notes due 1993

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 28th September, 1990 has been fixed at 15.125% per annum. The interest accruing for such three month period will be £381.23 per £10,000 Bearer Note, and £3,812.33 per £100,000 Bearer Note, on 28th September, 1990 against presentation of Coupon No. 8.

Union Bank of Switzerland London Branch Agent Bank

28th June, 1990



RETAILING

The Financial Times proposes to publish this survey on:

28th September 1990

For a full editorial synopsis and advertisement details, please contact

> JONATHAN WALLIS OR 071 873 3565

or write to him at :

Number One Southwark Bridge London

FINANCIALTIMES

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT LIT 200,000,000 FLOATING RATE NOTES DUE 1997

For the period from July 2, 1990 to January 2, 1991 the notes will carry an interest rate of 1118% per annum with an interest amount of lit 284,000. - per lit 5,000,000 note and of lit 2,843,000. - per lit 50,000,000, - note. The relevant interest payment date will be January 2,

Banque Paribas Luxembourg Agent Bank

ADVERTISE YOUR HOUSE IN **FULL COLOUR**

every Saturday in the Weekend FT. To find out more call Lesiey Proctor on

071 873 3591.

ELECTRONIC CORPORATION

Notice is hereby given to holders of CDR's issued by Caribbean Depositary Company N.V., Curação, evidencing shares in the above Company that the annual report of Pioneer Electronic Corporation for the year ended March 31, 1990, may be obtained from:

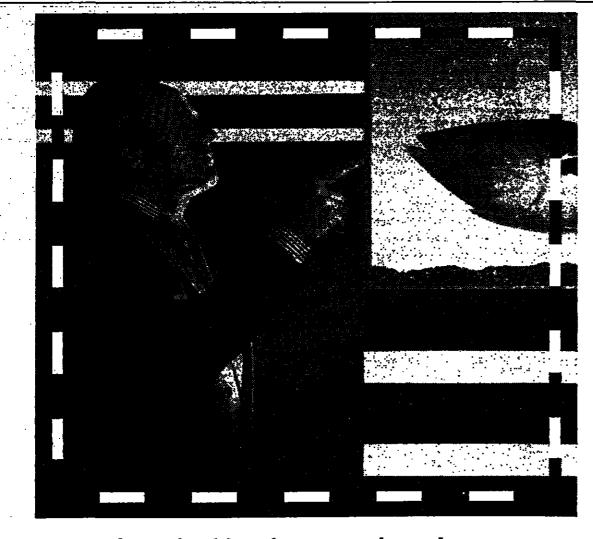
Caribbean Depositary Company N.V., 6 John B. Gorsiraweg, Willemstad, Curação.

N.V. Nederlandsch Adminis tratie- en Trustkantoor, N.Z. Voorburgwal 326-328, 1012

RW Amsterdam. The Bank of Tokyo Ltd., established in Tokyo, Brussels, London, Düsseldorf, Paris and

New York. Amsterdam, June 27, 1990

N.V. Nederlandsch Administratie- en Trustkantoor



I worked hard to get where I am. Now Robeco is helping me grow, worldwide.

"Like many other things, money needs space to grow. And what better or bigger space than the whole world?"

Introducing a bank that reflects your own values.

The Robeco Bank (Switzerland) S.A. is backed by the Robeco Group, which has assets under management of over \$22 billion. For 60 years, the Group has found long-term, low-risk opportunities for growth.

This quality is matched by our commitment to personal service. For more information on Robeco Bank, fill in the coupon below. If you prefer, call us on (41) 22-41 12 97, or fax (41) 22-41 13 92, or send us your business card.

To: The Manager, Robeco Bank (Switzerland) S.A., 16 Chemin des Coquelicots, Case Postale 114, CH - 1215 Geneva 15 - Aeroport, Switzerland. Please send me more information on a Personal or Business account (Delete as applicable) English German Dutch French (Tick appropriate box) Mr/Mrs/Miss/Ms Surname and initials Full Address

L'EUROPEENNE DES BOIS ET PAPIERS

(PINAULT GROUP)

has sold

CHAPELLE DARBLAY S.A.

to

KYMMENE OY

Rothschild & Cie

SAMUEL MONTAGU & CO. LIMITED

MIDLAND BANK S.A.

June 1990

All these securities having been sold,

June. 1990



EUROPEAN INVESTMENT BANK

ECU 125,000,000

10 per cent. Bonds due 1997

ISSUE PRICE: 98.125 PER CENT. plus accrued interest from 14th February, 1990

The Nikko Securities Co., (Europe) Ltd. Norinchukin International Limited

HOUNSLOW £9.50 sq.ft. MAIDENHEAD £10.00 sq.ft. £8.50 sq.ft. £9.00 sq.ft. ST ALBANS £7.50 sq.ft. CRAWLEY £8.00 sq.ft.

MID WALES £2.50 sq.ft.

INCREASE YOUR PROFITS IN ONE BEAUTIFUL MOVE.

By cutting your business overheads manufacturing units, cost from just you could take money out of someone else's pocket and put it right back into yours. Mid Wales gives you the chance to do exactly that and improve your environment into the bargain. High specification brand-new

£2.50 per square foot rental in mid

For details about the rural Wales solution to high overheads, send us the FREEPOST coupon or phone us FREE on 0800 269300 now! *Industrial rents (Jones Lang Wootton, Dec. 1989)

DEVELOPMENT BOARD FOR RURAL WALES

	,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,	
Please send me your information pa	ack. I am interested in:	
750-1,500 sq.ft. factories	5-10,000 sq.ft. factories	
3-5,000 sq.ft. factories	3-5,000 sq.ft. factories	
NAME		
ADDRESS		
	POSTCODE	
TEL:	D1337-1	
Send to Dept D992, Development Board for Ru	ural Wales, Rural VVales	
FREEPOST, Newtown, Montgomeryshire SY16 Or telephone us FREE on 0800 269300 now!	1 JB. pro scarp regions. The New Country	

BANK JULIUS BÄR (DEUTSCHLAND) AG

is pleased to announce the following senior appointments:

(69) 17094-157 Florian Homm Head of institutional Im-Michael Brocker

(69) 17094-121 Head of Company Analysis

> B∞B BANK JULIUS BÄR (DEUTSCHLAND) AG

Landstrasse 42 · D-6000 Frankfurt am Main 1 idephone (69) 17094-0 · Telefax (69) 17 23 37 Trading (69) 17094-100

JPMorgan

DEN NORSKE STATS OLJESELSKAP A.S. (STATOIL) FF 758,000,900 Floating Rate Notes due 1990 Order your copy today.

BUSINESS SOFTWARE selection of software packages to suit your business needs appears every Saturday in the WEEKEND FT.

Mortgage Funding Corporation No 3 Plc

£120,000,000 Class C-1 £14,200,000 Class C-2

Mortgage backed floating

rate notes October 2023 For the interest period 2 July, 1990 to 1 October, 1990 the

Class C-1 Notes will bear interest at 15.2375% per annum. Interest

payable on 1 October 1990 mill

notes will bear interest at 15.4375% per annum. Interest payable on 1 October, 1990 will

amount to \$546,529.79 per \$14,200,000 Principal Amount

Agent: Morgan Guaranty Trust Company

amount to \$3,798.94 per \$100,000 note. The Class C-2

£150,000,000

HALIFAX **BUILDING SOCIETY**

INTERNATIONAL COMPANIES AND FINANCE

and acquisitions fall 43%

By Stephen Fidler. Euromarkets Correspondent

A RISE in European mergers and acquisitions in the first half of the year, has partly off-set a significant drop in US M&A activity. But the value of takeovers cross-border takeovers dropped significantly com-pared with a year ago.

Figures from IDD Informa-tion Services show the value of

US M&A activity dropping 43.3 per cent to \$112.4bn from \$198.3bn in the first half of the year. The number of acquisiens in the US declined 5.9 per cent in the second quarter, bringing about a 15.2 per cent ecline for the first half. Some 2,140 transactions took place compared with 2,524 in the

same period in 1989. But European M&A activity is on the rise. The dollar value of European deals rose to \$66.1bn from \$55.6bn, while the number of deals rose 22.7 per cent to 2,184.

So far this year, there have been 1,184 cross-border acquisitions announced, worth \$55.4bn. Last year in the same period, there were 1,221 deals worth \$92.1bn. Companies from the UK have led the international acquisition trail so far this year, with 179 deals worth \$12.1bn. US companies were next (158 deals, \$11.4bn), followed in turn by French corporations (99 deals \$8.50n). Among US advisers, accord-ing to IDD, Goldman Sachs jumped into first place, from 11th a year ago, completing 41 deals with a total \$29.1bn.

Wasserstein Perella moved up one place to second with 19 deals and \$23.6bn, with Lebman Brothers in third position. The leading adviser in the first half of last year, Morgan Stanley, was ranked ninth, according to the figures, with 28 deals worth \$10.6bn.

Successful privatisation of Unicer By Patrick Blum in Lisbon

THE FULL privatisation of

Unicer, a Portuguese brewing company, has been completed successfully with the sale of the state's remaining 51 per cent stake, but the results sent a warning signal to the authorities over future limits on purchases by foreign inves-

There was strong demand for shares and only about 65 per cent of orders could be sat-isfied. Paradoxically, the underwriters were left with 4.7 per cent of the shares because of a government 20 per cent limit on foreign

As a result, lower than expected demand by small domestic investors could not be compensated for by foreign institutional investors. Out of total foreign orders sated for by foreign

for 2.1m shares, demand for 1.55m shares worth Es6.4hn (\$42m) could not be met. All the allowed foreign shareholding was taken up by Cervun-iao, representing the Colom-bian Santo Domingo group, which raised its stake from 11.6 per cent - secured during Unicer's earlier part-privatisation - to 20 per cent, making it the company's second larg-est shareholder.

A Portuguese group consist-ing of Corfi (textiles and tourism), Sogrape (wine) and Arsopi (engineering) secured a dominant position by increasing its shareholding from 14.4 per cent of the shares to about 40 per cent. The rest of the shares are held by small Portuguese investors.

Over 3.3m shares were sold raising Es13.2bn (\$88m), an amount exceeding the Es9.5bn raised for the 49 per cent part-privatisation of the company last year.

MOTOR CARS

Are you looking for a used high profile motor car?

Check the selection in the WEEKEND FT **EVERY SATURDAY**



US mergers | Ford launches new Escort/Orion

By Kevin Done, Motor Industry Correspondent

FORD IS launching a new generation Escort/Orion in the generation escorporate in a late summer in a fresh assault on one of the most competitive sectors of the western Euro-

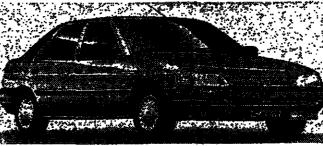
pean car market.

It is part of a far-reaching renewal of Ford's European product range, which includes the replacement of the Fiesta small car last year and the planned replacement of the Sierra in 1992.

The Escort/Orion, which will be produced at three locations in Europe - Halewood, Merseyside in the UK, Saarlouis in West Germany and Valencia in Spain - will replace the present Escort range which was launched in September 1980.

The lower-medium segment accounts for about a third of all new car sales in western

Burope and Ford faces tough competition from the Volkswa-gen Golf/Jetta, the best-selling



The new Ford Keçort: goes on sale in September

car in Europe, and General Motors' Opel Kadett/Vanxhall Astra, as well as the Fiat Tipo, launched in 1988. In 1988 the Escort/Orion was

in third place in its segment in the European market behind the Golf/Jetta and the Kadett/ Astra, but it plays a more sig-nificant role in the UK. Ford's single largest market in west-

ern Europe, where it has topped the best seller's list for much of the 1980s and was still the best-selling car in the UK

Competition in the segment is set to intensify in the next two years with the entry into the market next year by Citroen, part of the Peugeot car range positioned between its present AX and BX ranges. At the same time General Motors is set to replace its Kadett/Astra range in 1991, while Volkswagen is planning

Golf/Jetta in 1992.
Ford, which today releases the first photograph of the new generation Escort/Orion, said that it was placing 350 pre-production cars with fleet users in circ Enropean. Countries in six European countries, in order to test the quality and reliability of the new range. It said the early customer

valuation programme, a tech-nique adopted last year for the launch of the Fiesta small car range, would be used to detect and correct any quality con-cerns shead of the car going on public sale in September. The range will be unveiled at the early September.

BASF plans sale of two US businesses

By Peter Marsh

chemicals company, said yes-terday it was putting up for sale two businesses in the US, thought to be worth about

BASF's surprise announcement comes after several years in which many large European chemicals companies have built up their operations in the US, the world's biggest chemi-cals market. The move was seen as an indication that BASF is taking a sharp line on leaving businesses which it believes do not have an espe-

BASF wants to sell its US inks business, which has sales of about \$300m a year, and its activities in that country in The West German company is one of the world's top three companies in inks. It achieved a leading posi-tion in the US inks business as recently as 1985 through its \$1bm takeover of Inmont, for-

BASF's US fragrances business is controlled by Fritzsche Dodge and Olcott, a BASF subsidiary which the company

merly part of United Technolo-

bought in 1980. It has estimated annual sales of about

German company

employs 1,400 people in inks in the US and 850 in fragrances. It has asked Morgan Stanley, the New York hank, to advise it on possible purchasers for the inks division and Wasser-stein Perella, another US bank, to belp on the fragrances sale. The company said it wanted to sell both units because they did not fit into its long-term

strategy.

The German group said the decision to sell its US inks

activities did not negate the rationale of the Inmont pur-

The main point of this had been to strengthen the group's position in car paints in the

BASF has about 10 per cent of the US inks market, worth an estimated \$2.5bn a year. Other large groups in the US include Dainippon of Japan and Total of France – which with BASF are the world's top three inks companies – together with Toyo of Japan and Britain's Imperial Chemi-

Stora Kemi acquisition may be blocked

By John Burton in Stockholm

SWEDEN'S Competition Ombudsman yesterday recommended that the purchase of Stora Kemi by Nobel Indus-tries, the Swedish chemicals and armaments concern, be blocked. The Competition Ombudsman said it would make Nobel the country's dominant supplier of bleaching chemicals for the pulp and

paper industry.
News of the action came as Stora Kemi, the chemicals division of the forestry group Stora, announced it was planning to assume full ownership of its Canadian subsidiary Alby-Olin by buying the 49 per cent shareholding held by Olin Corporation for SKr320m

(\$53m). The deal was being conducted at the request of Nobel Industries, it said. Nobel's SKrl.93bn acquisition of Stora Kemi was announced in May and was scheduled to be concluded last Friday, but last-minute details

prevented its completion.
The Competition Ombudsman, who has the status of a public prosecutor, has requested that Sweden's Mar-keting Court, which rules on anti-trust matters, temporarily block the merger while it reviews the case. The Market-ing Court is expected to respond to the request within the next several weeks. The ombudsman said the

tic market for sodium chlorate, a chemical that is rapidly replacing the more environmentally harmful chemical chlorine in the bleaching of pulp. Nobel already controls 97 per

acquisition would give Nobel a

92 per cent share of the domes-

cent of the Swedish market for hydrogen peroxide, another widely used bleaching chemi-An intervention by the Competition Ombudsman in block-

ing a merger is rare in Sweden. which is one of the few indus-trialised countries to permit legal cartels and monopolies in

Competition is normally ensured by imports, however. The Competition Ombudsman expressed doubts that imports of pulp bleaching chemicals, mainly from East Germany, Norway and Finland, were likely to represent much of a competitive challenge to Nobel.

Nobel expressed surprise at the Competition Ombudsman's recommendation, but would not comment further on the

"We will continue to imple ment those actions the law allows concerning the acquisi-tion," said Mr Dag Stromqvist, president of Eka Nobel, the pulp chemicals division of Nobel Industries.

Rothmans buys Dutch tobacco producer for Fl 245m

By Our Financial Staff

ROTHMANS International, the UK cigarette and luxury goods group, is paying Fl 245m (\$130m) for Theodorus Niemeyer, a Dutch producer of pipe and rolling tobacco under brands such as Samson, Sail, Clan and Holland House. Niemeyer is being sold by Gallaher, a British offshoot of

American Brands, which said it wanted to concentrate European development on its ciga-rette business, which include Benson and Hedges and Silk

Rothmans said the acquisi-tion "will significantly strengthen Rothmans' pres-ence in the fine cut and pipe

tobacco markets, particularly in Europe in advance of the advent of the single European

It estimated the book value of the assets being acquired at Fl 172m and put Niemeyer's pre-tax profit in the nine months to June at Fi 34m. Last week Lord Swaythling,

chairman of Rothmans, in announcing a 24 per cent rise in pre-tax profits to £405.6m (\$690m) for the year to March, stressed the resilience of its tobacco brands and said growth would be mainly organic. However, it had more than £500m net liquid funds available.

All of these securities having been sold, this advertisement appears as a matter of record only.

2,300,000 Shares



Convex Computer Corporation

Common Stock (par value \$.01 per share)

920.000 Shares

This portion of the offering was offered outside the United States by the undersigned.

Goldman Sachs International Limited

Credit Suisse First Boston Limited

Robertson, Stephens & Company

Banque Indosuez

The Nikko Securities Co., (Europe) Ltd. S. G. Warburg Securities

1,380,000 Shares

This portion of the offering was offered in the United States by the undersigned.

Goldman, Sachs & Co.

Robertson, Stephens & Company

->-

e monet

MMENT Galacte : First 1 ______.

ELECTION OF THE PARTY OF THE PA **设置的**类型的 在上: georgisk si get terretti erze depet di Cili

mgal restric

death eire an diament ---EU 12: - ; • 444.11 TILL 22 22 3 KM ~ = ~ =

BEDE CAR CONTRACTOR The Property of the

FT'AIBD INT

2000年代ではできました。

INTERNATIONAL CAPITAL MARKETS

to in 1979

which is a second of the secon

aprec : ce

Sses

ANY STE IN STATE OF THE PARTY O

cked

potnet a mile d by street an sery white the p Marshare and from the tell to the tell

L Tombon Land

mar: ::::::::

東島 のはにはなる

Since Louis in the Control of the Co

A Canada and

Mag of Indual.

And the American Part of the American Part of the American

Mark Talling gr 1815 12 22 2

n neille in in historian (iii)

ave or Lie

On

M. 22

ng any

(Europe)

_{eriğ} Securici

1151,754

Bunds rally despite doubt over monetary union

By Stephen Fidler in London and Karen Zagor in New York

THE German government bond market celebrated monetary and economic union with a rally yesterday, but trading volume could only be described

3.5**年基本**學學學學學學學學學學學學學學學學學學

as modest.

Prospects for the first bond issue from the German unity fund, terms for which will be the factor of the second announced tomorrow, and a batch of economic statistics for May due later this week helped to subdue trading.
According to traders, the

Ment of the care market has discounted an issue of between DM5bn and DM6bn of 10-year fixed rate

Special Marie Co. A yield premium of 10 to 15 basis points over the tradi-tional bund issue is expected, to make up partly for the fact that the bonds, while state guaranteed, are not a direct state issue and that they will not be deliverable against the futures contract in London. At least two German banks are said to be lobbying the in a series

Deutsche Terminboerse, which

main to a confidence of the co GOVERNMENT IS the shade of the same of th BONDS

begins bund futures trading in September, to allow unity bonds to be deliverable against

its contracts.
With the yield on the 10-year bund at around 8.67 per cent late yesterday, a coupon of 8% per cent or, more probably, 8% per cent seems likely. Some traders suggest that to

ensure a good reception, the issue should carry a 9 per cent

Trading on Liffe accounted for a modest 22,500 contracts, and the active September contract ended at about 83.50, up 35 basis points on Friday. Traders said a strengthening of the D-Mark on the foreign exchange market helped bond

BENCHMARK GOVERNMENT BONDS Week ago Month ago Change Yield 94-17 -03/32 12.36 93-11 -13/32 11.72 85-15 -14/32 10.83 4/93 -5/99 10/08 10.000 10.500 8.000 12.38 12.50 102-30 -02/32 8.43 103-19 -02/32 8.42 8.875 05/00 8.53 8.51 88,4931 +0.166 7.29 91,1786 +0.001 6.83 No 119 4.800 ... 6/99 No 2 5.700 3/07 6.86 6.45 GERMANY 7,750 02/00 94.1000 +0.110 8.66 8.77 8.69 FRANCE BTAN 9.000 02/95 OAT 8.500 03/00 96,4565 +0.036 9.96 10,02 9.98 93,0300 -0.100 9.82 9.64 9.64 CANADA . . . 9.750 05/00 94.3500 +0.050 10.89 10.93 10.73 NETHERLANDS 9,000 05/00 100.9800 +0.140 8.84 8.91 8.92

AUSTRALIA ---- 12.000 7/90 92.8960 +0.098 13.38 13.60 13.44

London closing, "denotes New York morning season Yields: Local market standard Prices: US, UK in 32nds., others in decimal Technical Data/ATLAS Price Sources

The yield spread against the French market was little changed in the 10-year area at around 95 basis points. Mr Steve Major of UBS Phillips & Drew in London said he was recommending switches out of 5-year German Bundesobligationen into French BTAN.

The yield difference of 108 basis points is close to recent highs, and there is a prospect for more German issuance in that maturity.

mTHE UK government bond market put in a lacklustre performance and a very modest 8,700 contracts traded on Liffe. in the long gilt future. Consumer credit and retail sales figures for May depressed

the market somewhat. One of the benchmarks the 11% per cent issue of 2003-7
— ended down nearly % point

■US Treasury bonds were narrowly mixed yesterday morn-ing in a market which is expec-ted to remain lacklustre ahead of Wednesday's Independence

Day holiday.

At mid-session, the Trea-sury's beliwether 30-year bond was down & point at 103H yielding 8.40 per cent, while shorter-dated maturities were

unchanged.
The Federal Reserve entered the open market to arrange \$2bn in customer repurchase agreements when Fed funds. the rate at which banks lend to each other, were changing hands at 8% per cent. The move, which adds liquidity to the banking sys-

m, was widely expected. The only economic news of the morning was the release of the national purchasing management index for June, which rose to 51.1 per cent in the mouth from 50.7 per cent in

Although the increase in June was at the upper end of expectations, it had little impact ahead of Wednesday's

Fourth of July holiday. In addition, traders are waiting for Friday's release of employment data for June, which is expected go give a clearer picture of the state of the US economy.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday July 2, 1990 . In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied. US \$ COUNTRY D-MARK YEN CX 100) 278.1400 8.4094 1.6586 1.6586 323.2208 0.5670 161.3269 6.2999 2.6915 5.5628 (Fr Fr)
(Sp Peseta)
(Kwanza)
(E Carr S)
(Austral)
(Florin)
(Aus S)
(Schilling)
Port Escutio) 16450.00 256.43 1.7635 2 1833 2.3941 (Riyal) 6.3863 3.6213 Bahamas Bahrain Balearic Is Bangladesh Barbados (F/Fr) 9.8100 (Leu) 95.29((Fr) 132.61 2.6915 0.5670 2.6915 5.5628 2.6915 1217.0399 104.0311 3.7299 278.1400 5.3303 158.0946 1.8286 2.5068 408.7212 St Christopher (
St Helena
St Locia
St Locia
St Pierre (F
St Vincent (
Sen Martoo (Ital
Sao Tome
Saudi Arabba
Senegai
Senegai
Serekles
Sicra Leone
Singapore
Solomoo Is
Somalii Rep er (E Carr S) 4.7466 (E Carr S) 4.7466 (French Fr) 9.8100 (E Carr S) 4.7466 (Italian Lira) 2146-28 (Robra) 183.459 (Riyas) 5.5778 (CFA Fr) 490.50 (Riyase) 9.40 4.7466 1.00 4,7466 9.8100 4.7466 2146.25 183.459 6.5778 490.50 9.40 278.80 3.2248 4.4243 39.0253 11.6213 1209.1171 45.5107 0.2038 0.4078 1.3784 804.5923 (Pula) 3.32450
(Pula) 3.32450
(Cruzado) 97.2728
(Pula) 97.2728
(Pula) 97.2728
(Rusel S) 3.2248
(Rusel S) 3.2248
(Rusel S) 3.2248
(Rusel S) 3.2248
(Rusel S) 3.2245
(Ried) 384.44u
(CFA Fr) 490.50
(Canadian S) 2.0470
(Sp Pusta) 179.25
(CV Escudo) 128.105
(CFA Fr) 490.50
(CFA Fr) 490.50 1.8296 2.8545 278.1400 6.1117 171.3663 278.1400 1.1607 101.6444 72.6424 0.8300 278.1400 278.1400 278.1400 278.1400 90.1479 90.1479 90.1479 90.1479 90.4578 Jamaica (Jamaican \$) 11.9875 Japan (Yen) 266.75 Jordan (Jordanian Dinar) 1.1626 4.4243 720.78 1.5920 2.4693 61.2820 1.7457 2.7077 (New Kip) (Lebanese (2) (Majors) (Liberian S) (Libyan Disar) teln (Swiss Fr) erg (Lux Fr) (Chi 1 0.2890 1.4034 34.0516 (S) 47.125 (Shilling) 337.55 (Bain) 45.00 (CFA Fr) 490.50 (Pa Asga) 2.2090 po (S) 7.4715 (Dinar) 1.5649 (Lira) 4632.95 (US S) 1.7635 strailan \$) 2.2090 14.1435 256.43 2244.25 4.8800 4.7598 16.5498 490.5625 9.8100 145.790 26.55 (Kwacha) (Ringelt) (Ruffya) (CFA Fr) CS A Rand 4,6568
(Australian S) 2,2090
(Repaiese Rupee) 51,0488
nots (Guider) 3,2900
(Ilies (A/Gelider) 3,14668
and (RZ S) 2,9773
a (Corrioba) 55,256.0,9
(CFA F) (Walra) 13,8530
(Nor. Krone) 11,225 Falkland is (Falk 2) 1.00
Farce is (Dasish Kroner) 11.1100
Fiji is (Fiji 5) 2.6297
Finsand (Marrica) 6.8318
France (Fr) 9.8100
Fr. Cuj/Africa (CFA Fr) 49.50
Fr. Galana (Local Fr) 9.8100
Fr. Pacific is (CFP Fr) 173.00 0.3748 4.1649 0.9858 2.5611 3.6776 183.8800 3.6776 64.8547 1.4149 emen emen PDR (Rial Oceani) 0.6753 0.3829

eviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (g) Financial rate; (h) Exports; (i) Non commercial rate; (l) Business rate; (m) Market rate; (b) Official rate; (p) preferential rate; (d) convertible rate; (r) parallel rate; (s) Selling rate; (l) Tourist rate (u) Currencies fixed against the US Dollar; & Goyana, 18 June 1990, Dollar devalued by approx 1.3823pc

Some data supplied by Bank of America, Economic Peparament, London Trading Centre. Enquiries: 071 634 4360/5.

Monday July 2, 1990

Portugal restricts corporate foreign debt

THE Bank of Portugal has clamped down on foreign borrowing for Portuguese compa-nies by insisting that 40 per cent of the value of any capital raised abroad must be depos-ited with the central bank,

AP-DJ reports.

The measure took effect on AP-DJ reports. the last months have registered is the second significant mone. The measure took effect on a marked increase, bloating tary policy announcement July 1 and affects Portuguese domestic liquidity and creating within a week.

banks and bond or stock issues offered on foreign capital mar-kets or bought by foreign investors. No interest would be paid on the deposits, the bank said. "Foreign capital inflows over

difficulties for economic policy," it said.
The Government is waging war against inflation, currently 14 per cent annually and one of the highest rates in the European Community. The measure is the second significant mone-

FT/AIBD INTERNATIONAL BOND SERVICE AND SHEET AND THE PROPERTY Letest prices at 5:15 pm on July 2 Install Bid Offer By Yield OTHER STRAIGHTS COUNCIL EUROPE 7 94 LP:
KREDIET FORD 7 93 LP:
WORLD BARK 8 94 LP:
WORLD BARK 8 94 LP:
WORLD BARK 8 12 91 F1
DEMBARK 8 12 91 F1
DEMBARK 8 12 91 F1
PHELIPS GLOED AMPEN 5 349 92 F1
PHELIPS GLOED AMPEN 5 349 92 F1
PHELIPS GLOED AMPEN 5 349 92 F1
ALBERTIA, PROVINCE 10 92 C5
BELL CAMADA 10 5/8 99 C5
BELL CAMADA 10 16/8 12 92 C5
CONTRAIN HYDEO 10 7/8 99 C5
CONTRAIN HYDEO 10 7/8 95 C5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO 13 93 A5
FORD CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
CRED MY FINANCE 14 1/4 99 A5
CONTRAIN HYDEO
C U.S. DOLLAR STRAIGHTS ABBEY MATIONAL 87/8 93
ALBERTA PROVINCE 9 3/8 95
AMERICAN ECNERAL 9 3/4 95
AMISTRAL 11: 1/4 00
AMISTRAL 11: 1/4 00
BANK OF TOXYO 8 3/8 96
BET GAIN 9 1/8 92
BFCE 7 3/4 97
BP 8 5/8 94
BP CAPITAL 9 5/8 93
COLE 9 1/4 95
COLER EMPOPE 8 96
DEMBARK 0 98 · If Series is a series of the Control of the contro DEHMARK 0 98 DENMARK 8 1/4 94 ECSC 8 1/4 96 DEMMARK 8 1/4 94

ECS. 8 1/4 95

ECS. 8 1/4 95

EES. 6 1/4 95

EES 7 23 123 +4 FLOATING RATE MOTES
ABBEY MATIONAL 1/16 00 £
ALBERTA PROVINCE 1/29 94 £
BANCO DI HAPOLI INT 91
BANCO BOMA 0.03 91 .
BELGERIN 1/16 97 DM
SELGERIN 1/16 97 DM
SETCE-0/2 96
BRITANNA 1/10 96 £
CITICORP 1/4 98
CITICORP 1/4 98
CITICORP 1/4 98
DEMMARK -1/8 96
FERRO DEL STAT 94
MALIFAX 1/10 94 £
MORGAN UP 1/4 97
MAT WEST FIN 3/16 95 15.31.25 8.4063 15.3300 8.4750 8.4175 8.4175 8.4175 8.4275 200 400 500 750 300 400 500 300 300 300 200 200 200 500 · 特拉特拉拉拉拉拉拉特特特

NORGAN CIP 14 47 NAT WEST FIN 3/16 05 NEW ZEALAND 93 NORTHEAST SAVINGS 1/10 96 PORTUGAL 0.05 93 887, 91, 88 98 713142 6.594 6.696 6.896 7.94 7.97 6.721 7.97 OUEBEC PROV 01
RENFE 98
SOCIETE CENERALE 96
UNITED KINGDOM -1,8 96
WELLS FARGO 1/16 94 17 DEMMARK 3 3/4 91
EEG 5 1/2 00
EIG 5 3/4 93
FIBLABD 5 3/8 95
JAPAN DEV BK 5 1/2 94
MOUNT ISA FINANCE 5 3/4 94
MOUNT ISA FINANCE 5 3/4 94
MOUNT ISA FINANCE 5 3/4 99
PULLY PEZK INTO, FIN 6 1/4 96
EKARDIRANSKA ERSK 6 1/2 95
WORLD BANK 7 1/4 92
WORLD BANK 7 1/4 92 98 941, 971, 871, 871, 871, 871, 871, 991, 101, COMPVENTIBLE BONDS

ARSYLL GROUP 4 1/2 (2) £

ASDA-MF 4 3/4 (0) £

BURTUM GROUP 4 3/4 (0) £

EASTRAM RODAK 6 3/8 (0)

EASTRAM RODAK 6 3/8 (0)

ERACE (W70 6 1/4 (2)

ERAND MET 6 1/4 (2) £

HAMLEY 6 CP PEEF

HILLSDOWN 4 1/2 (0) €

KNIL PAPER 5 3/4 (0) £

LAND SETS 6 3/4 (0) £

METAL BOX 5/4 (0) £

MITSUBERSH BK 1 3/4 (2)

GODEN 6 (2)

MITSUBERSH BK 1 3/4 (2)

GODEN 6 (2)

TEAKS HESTROMENTS 2 3/4 (0) 2 Com.

| grice | Bid
| 2.75 | 101
| 1.64 | 1054,
| 3.15 | 1054,
| 50.67 | 945,
| 424 | 874,
| 424 | 874,
| 6.58 | 1035,
| 1.91 | 1.91 | 107,
| 6.72 | 835,
| 6.72 | 835,
| 1.93 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.87 | 107,
| 7.88 | 107,
| 7.89 | 106,
| 7.89 | 106,
| 7.80 | 107,
| 7.81 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 7.85 | 107,
| 0% Press. 192 (2014) 192 (2014) 193 (4014) 1 6011001500450085000 1011001500450085000 YEN STRAIGHTS
AUSTRIA 4 3/4 94
CAHADA 4 3/8 92
CREDIT FORCIER 5 1/4 94 92% 7.21 RAWLEY 6 02 PREF 400 1.71
95% 7.17 RAWLEY 6 02 PREF 400 1.71
93 7.26 BILL SAMPER 5 3/4 02 200 68%
93 7.26 BILL SAMPER 5 3/4 02 200 68%
93 7.12 LAWO SECS 6.34 02 6 84 6.72
92% 7.11 METAL BOX 5 3/4 02 6 84 6.72
95% 7.26 MITSURESHI BK 1 3/4 02 300 277.1
96% 1.72 PALIFIC DINLOP 6 3/4 97 75 3.74
98 7.29 PALIFIC DINLOP 6 3/4 97 75 3.74
91% 7.40 TEMAS INSTROMENTS 23/4 02 300 82%
94% 17.07 THORN EMIS 3/4 04 6 200 77.45
94 1 7.15 No information available – provious day's price
96% 44 6.98 COIly one market maker supplied a price 30000 80000 20000 40000 50000 35000 150000 50000 50000 50000 50000 CERENT, ELECTIOL 3 3/4 13. TRALY 5 3/4 92... KANSAI ELEC PWR 4 5/8 94... RIPPOB TEL & TEL 5 7/8 96... SORWAY 5 1/8 95... SWEDEN 5 5/8 95... WORLD BANK 6 3/4 00.....

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum, Spread - Margin above six-month confered rate (three-month fathers mean rate) for US dollars. C.opn—The current coupon.

CONTENTIBLE BONES: Denominated in dollars unless otherwise indicated. Chy. price—Nominal amount of bond per sterre expressed in currency of states at conversion rate fixed at issue. Prem—Percentage premium of the current effective price of acquiring states viz the bond over the most recent price of the shakes.

The Financial Times Ltd., 1990. Reproduction in whole or in part in any form not paralited without written com-Data supplied by Association of International Bond Dazlers.

TRADE INDEMNITY PLC 071-739

MULTI-MARKET POLICY. Simplified credit protection against increasing risks in EEC and OECD countries.

Republic of Indonesia Floating Rate Notes Due 1993

NOTICE IS HEREBY GIVEN that, pursuant to the terms and conditions of the Floating Rate. Notes Due 1983 (the "Notes") of the Republic of Indonesia ("Indonesia"), Indonesia will, at the option of the hotier of any of the Notes, redeem on October 11, 1990 (the "Redemption Otes"), such Notes at the principal amount thereof. To exercise such option the holder must deposit such Notes with any of the below-mentioned paying agents not sooner than August 12, 1990 nor later than August 27, 1990, provided that in the case of any bearer Notes, the principal amount start in the case of any bearer Notes. The Pari 1991 and subsequent coupons relating theneto are attached or aumendered therewith, interest on the Notes so decosted shall cease to accrue from and after the Redemption Date. Any Notes, if so deposted, may not be withdrawn without the prior written consent of Indonesia. Notes and, in the case of any bearer Notes, Notes together with the April 1991 and subsequent coupons strached, may be deposited at any of the following offices of the paying

e Chase Menhattan Bank, N.A. ndon Branch olgate House, Coleman Street ndon EC2P 2HD England

Chase Manhattan Bank Luxumbo 5 Rue Plastia L-2338, Luxumbourg Grand

Chase Manhallan Bank (Switzerland) Coupons due October 17, 1990 should be detached and surrendered for payment in the

Coupons due October 17, 1990 should be detected and summanded to presentation of Notes for redemption in New York, New York, or other payments made within the United States, including a payment made by transfer to a United States dollar account maintained by the payee with a benk in the United States, may be subject to reporting to the United States Internal Revenue Service (IRS) and to beckup withholding of 20% of the gross proceeds if a payee talls to provide the paying agent with an executed IRS form W-9 in the case of a non-U.S, person or an executed IRS form W-9 is the case of a U.S. person. Those holders who are required to provide their correct taxpayer identification number and who fail to do so may also be subject to an IRS penalty of U.S. \$50. Accordingly, please provide all appropriate certification when presenting the Notes for payment. PRYMERIC OF INDONESIA
BY: THE CHASE MANHATTAN BANK
(National Association),
as Fiscal Agent

> Notice of an Extraordinary General Meeting of the Shareholders

WCRS (Netherlands Antilles) Finance N.V.

NOTICE IS HEREBY GIVEN to the Shareholders of WCRS (Netherlands Antilles) Finance N.V. (the "Company"), a corporation organized and existing under the laws of the Netherlands Antilles, that an Extraordinary General Meeting of Shareholders will be held on July 25, 1990, at 10.00 a.m., at the Company's registered office located at Polarisweg 35, Curação, Netherlands Antilles.

The agenda of the meeting will be to consider and approve an amendment to Article 1 of the Articles of Incorporation of the Company to the effect that the name of the Company shall read "Aegis (Netherlands Antilles) Finance N.V." WCRS (Netherlands Antilles) Finance N.V.

CAMBRIDGE

The Financial Times proposes to publish this survey on:

2nd November 1990

For a full editorial synopsis and advertisement details, please contact either

> Clive Booth on 071 873 4152

or Amanda Francis on 071 873 3553

or write to:

Number One Southwark Bridge London

FINANCIAL TIMES

SE1 9HL

This announcement annews as a material record only.

Bahrain Middle East Bank (E.C.) \$125,000,000

364 Day Renewable Term Loan

Agented by: Continental Bank N.A.

Lead Managed By: AlAhli Bank of Kuwait (K.S.C.) Banço Exterior de España Commercial Bank of Kuwaii Continental Bank, N.A. The Gulf Bank (K.S.C.) - Kuwaii Lloyds Bank plc Oesterreichische Laenderbank AG, Vienna Security Pacific National Bank

Westpac Banking Corporation Co-I sad Managed By: Bank of Bahrain and Kuwait (BSC)

Standard Chartered Bank

bank of ballian stockwart (556) Banque Internationale de Commerce Bardays Bank plc Foreningsbankernas Bank Girozentrale und Bank der Oesterreichischen Sparkassen AG Postinankid Ltd

Managed By: ASLK-CGER Bank Banco Ambrosiano Veneto SPA, Italy Banco Atlantico SA
Banco Espirito Santo e Comercial de Lisboa (London Branch)
Banco Fonsecas & Burney, Macau Off-Shore Branch

Die Erste Oesterreichische Spar-Casse-Bank - First Austrian Bank Middle East Bank Ltd PSK Bank, der Oesterreichischen Postsparkasse, AG Westfalenbank AG



Structured and Arranged By:

Continental Bank

DUTY FREE INDUSTRY

The Financial Times proposes to publish this survey

20th September 1990 For a full editorial synopsis and advertisement details, please contact

JONATHAN WALLIS on 671 873 3565

or write to him at : Number One Southwark Bridge

SEI 9HL

FINANCIAL TIMES



DEN DANSKE BANK

US\$100,000,000 Subordinated floating rate notes

due 2000 ed by and in the name of Copenhagen Handelsbank A/S)

In accordance with the provisions of the notes notice is hereby given that for the six months interest period from 29 June 1990 to 31 December 1990 the notes will carry an interest rate of 8/1% per annum. The interest payable on the relevant interest payment date, 31 December 1990 will amount to US\$436.81 per US\$10,000 note and US\$10,920.14 per US\$250,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

INTERNATIONAL CAPITAL MARKETS

Supervisors warn South West French banks on buy-out debts

By George Graham in Paris

FRANCE'S banking super-visors have issued a warning about the dangers of leveraged transactions and have urged banks to limit their exposure to these deals in line with their

capital bases.
The Banking Commission said the 11 largest French banks involved in leveraged buy-outs and buy-ins had an exposure of FFr69.6bn, little more than a third of the exposure of the 11 largest US com-mercial banks, and 90 per cent of it was in the form of senior debt, more secure than subor-dinated debt or capital. Nevertheless, the commis-sion warned the risks were

spread over a small number of deals, and no more than 2.4 per cent of the exposure was provisioned. "Without casting a general doubt on these operations. whose justification is the responsibility of the individual establishments and which can prove highly profitable, it seems appropriate to draw attention to the nature and size of their exposure," the commission said in its annual

leveraged deals represented an average of 30 per cent of each bank's capital, and two banks had committed 50 per cent of their capital base.

The commission's study follows mounting concern in the US and elsewhere over the risks run by banks which have taken part in buy-outs financed by junk bonds, subordinated debt or varieties of complex mezzanine finance, several of which are now having diffi-culty servicing their debts. It says that of the buy-outs

which are now causing con-cern, the largest is Lignotock in West Germany, to which a single French bank is exposed, followed by Southland and Allied Stores in the US.

Mr Philippe Lagayette, the commission's chairman, said that French banks had now improved their country risk provisions to cover an average of around 50 per cent of their exposure, and that there was now justification for stopping at this rate of cover. He urged the tax authorities

to rethink their rules on bad debt provisions, which make it fiscally difficult for banks to provision more than 60 per cent of their exposure. He added that at the end of 1989. the 16 largest French banks had capital covering 8.7 per cent of their weighted risks. using the Cooke capital ratios which members of the Bank for International Settlements have agreed to introduce.

Italian and Spanish bonds perform well in index

By Deborah Hargreaves

THE ITALIAN and Spanish bond markets offered global investors the highest returns and the lowest risk in the first half this year, according to J.P. Morgan's index of government bond performance. In local currency, the two markets offered returns of 8.63 and 7.38 per

cent respectively.
The investment bank's Government Bond Index Monitor, which calculates return based on price and accrued interest on a portfolio of bonds, showed that global bond markets enjoyed their best quarter in the second quarter of this year since the last quarter of 1987. The Japanese Government fixed income market was the poorest performer in the first six months when it experienced a negative return of 3.18 per cent

When measured in US dollar terms, all markets except for Germany outpaced US Treasuries with the UK gilts market showing a return of 13.73 per cent for the first half. Belgium led the performance for other D-Mark bloc markets in local currency and US dollar terms, while Australia continned to look strong.

Water in **finance** lease deal

By Stephen Fidler, Euromarkets Correspondent

SOUTH West Water, one of the UK water companies privatised last year, said yesterday it had completed a £150m

finance leasing facility.

A number of similar financings are expected to be announced in coming weeks by other water companies. The financing provides 25-year funds for South West and

can be drawn down over a three-year period. South West currently has cash in hand but it is embarking on a 10-year capital spending programme of £1.4bm for which it expects

to need the financing.
The financing was with Barclays Mercantile Business Finance and arranged by Bab-cock and Brown, the UK com-pany which leads the lease brokerage business. A spokes-man for Babcock and Brown said it was arranging shullar financians for other UK mater financings for other UK water companies which should be completed by the end of the

The advantage to borrowers of leasing is that it is flexible and, because of associated tax advantages, provides funding at rates significantly below London inter-bank offered

Water companies had been expected to be significant bear-rowers in the fixed-rate ster-ling bond market. But a spokesman for South West, while not ruling out future bond market borrowings said bond market borrowings, said the bond market was not a favourable source of financing for now.

EIB eases loans to East Germany

GOVERNORS of the European investment Bank (EIB), the Kuropean Community's financ-ing arm, have given the go-ahead for the bank to extend its lending to East Germany, Reuter reports. Unlike loans to Poland and

Hungary, which have an Ecution celling, EIS lending to East Germany will be on the same terms and conditions as

Santiago's high-flyers turn to Wall Street

Leslie Crawford finds Chile becoming too small for fast-expanding industrial groups

hile . has suddenly become too small for its leading industrial groups. After six years of strong profits growth, the top private sector companies are turning to Wall Street in the search for foreign partners and cash to finance expansion pro-

At least seven Chilean com-panies are known to be considering trading American depositary receipts (ADRs). Compania de Telefonos de Chile (CTC) will be the first to take the plunge when it launches \$110m worth of ADRs on the New York Stock Exchange later this month. The Chilean telecommunications company, which is 49 per cent owned by Telefonica of Spain, will be the first South

American company to list on the NYSE in 27 years. CTC is opting to place new shares, or level three ADRs, because its investment needs are urgent. The company has a \$2hn expansion plan through to 1996 which aims to double Chile's 600,000 telephone lines and increase its facsimile, cel-hular and data transmission

The shares will be offered in the US and Europe, and CIC officials are shortly due to start a road show to canvass potential investors. Other Chilean companies are

adopting a more cautious approach. The costs of launching an unknown, Latin American company directly on to the NYSE, particularly with regard to underwriting fees, are very high. But even for those com-panies which do not need to raise capital immediately, ADRs hold numerous attrac-

Compania de Aceros del Pacifico (CAP), a steel com-pany which has diversified into forestry and agribusiness since its privatisation in 1987, plans to float a small package of existing shares as ADRs in order to establish a presence in the US secondary capital mar-kets. "Once our company becomes known among American investors, then we may consider a listing on the NYSE," said Mr Sergio Enriquez, CAP's treasurer.

However, the company's medium-term strategy is to use the NYSE as a launching pad to invest in steel-related companies in the US. The Chilean group is already holding talks with Japanese and European investors with a view to forming joint ventures in Argentina, and eventually in Central America.

For many Chilean economists, the incursion of leading domestic companies on to foreign bourses marks a second stage in the country's drive to compete internationally. "Chile has already completed the first stage, which was to export suc-cessfully," says Mr Luis Her-nan Paul, an economics profes-sor at the Catholic University of Santiago. The next chal-lenge will be to establish a presence in Chile's main export markets, either by acquiring; or entering into partnerships with foreign com-panies which buy Chilean

This strategy is already being adopted by the second largest industrial holding in Chile, Compania Manufacturera de Papeles y Cartones (CMPC). CMPC is the country's ading pulp and paper manufacturer, whose exports totalled \$250m last year. These are set to double when a new

cellulose plant, built in association with Simpson Paper of the US, enters production at the end of 1991. The key to the future," said Mr Ernesto Ayala, CMPC's president, "is to invest in paper manufacturing compa-nies abroad so that they use our cellulose."

Mr Paul believes the most effective way for Chilean com-panies to become known abroad is to have their shares traded on the international stock markets. In addition to widening their shareholder base, the status conferred by a NYSE listing could eventually reopen the doors to commer-cial bank credits which have been shut tight since the Latin American debt crisis broke in

n one way, the task of acquainting foreign inves-tors with Chilean companies began last year, when sev-eral "country funds" started operating on the Santiago Stock Exchange. There are now nine of these foreign investment funds, which have jointly channelled more than \$300m into Chilean shares. Another two country funds

were recently approved by the central bank. But if Chilean companies start issuing their own ADRs, then the foraign investor will be able to chose between the general country risk or shares in a specific company. Chile's central bank is cur-

rently completing the neces-sary foreign exchange regula-tions to allow Chilean companies to operate with ADRs, Central bank officials say that those companies, like CTC, which apply for a listing on the NYSE to issue new shares will be given access to the official foreign exchange market to move dollars in and

out of the country.

In this way, foreign investors will be protected from the volatility of the parallel market, which is legal in Chile except for operations involving foreign trade, investment and debt.

But to limit the impact of ADR transactions on its for-eign exchange reserves, the central bank has decided that Chilean companies will not have access to official dollars for private share placements on the informal US market

By Tracy Corrigan

THE primary Eurobond market experienced a lull due to holidays in Canada yesterday and the US tomorrow, in the run-up to Friday's US employment data, dealers said. There were no signs of disruption as a result of German monetary union. D-Mark Euro

INTERNATIONAL BONDS

bond prices followed bund prices higher, but were outperformed by Ecu bond prices, which gained about half a point. Dealers said that a couple of large accounts had taken positions in recent benchmark Ecu issues for Italy and France. In the wake of these rance. In the wake of these latest issues, no sizeable deals are expected in the sector for several weeks. The European Investment Bank expects to raise a further Ecu2bn to Ecu3bn in the course of this year, an official said.

Eurobond issue lull ahead of US holiday

Borrower US DOLLARS	Amount m.	Сопров %	Price	Materity	Fees	Book runner
OKOBANK .	60	93 ₈	102	1997	12/14	Fuji kat. Fin.
DM-MARKS Lavoro Bank Overseas NV†© IBJ Leasing Co++©	300 50	(a) 93 ₉	100 1013	1995 1995	20bp	Trinkaus & Burkhardt IBJ Germany
SWISS FRANCS Voralberger Kraftwerke(b)★★◆	55	7 .	1014	1995	-	Credit Suisse
YEN Instituto de Cred, Oficial ♦	25bn	7	101%	1995	13/14	IRJ Int.

In otherwise subdued markets, Instituto de Credito Ofi-cial, the Spanish financing institution which carries a statutory guarantee from the Government, brought a Y25bn issue of five-year bonds, which were widely considered to be too aggressively priced. The 7 per cent bonds, yielding 7.12 per cent, offered a four basis point pick-up over Denmark's Y40bn issue of five-year bonds, and a 15 basis point pick-up

over the World Bank's 7% per cent five-year bonds. The man-date for this unswapped issue was won by IBJ International after a round of competitive bidding involving more than 15 banks, market sources said. Dealers said there were few takers for the paper. Japanese investors are currently looking for coupons above the 7 per

cent level. While some Euro-

pean accounts are buying Euroyen paper, it is mainly

because their portfolios are underweight, so they prefer to buy the longer end, one dealer added. However, IBJ supported the issue on full fees at less 1%

Elsewhere, Lavoro Bank Overseas, a subsidiary of the Italian bank, brought a DM300m offering of floatingrate notes, via Trinkaus & Burkhardt. The five-year notes pay interest at the six-month London inter-bank offered rate.

Austrian bank buys lease group stake By David Lascelles,

Banking Editor

Osterreichische Länderbank, the Austrian bank, has bought a controlling interest in Sover-eign Leasing, one of Europe's largest privately-owned leasing

Sovereign has assets of £350m and specialises in financing purchase of equipment by small companies. Details of the investment were not disclosed. Mr Ben Brittain, general

he more is

to (322,000)

an ibe Third

Har 1265 C. C. C.

THE RESERVE THE PARTY.

ज्यतं स्थापः । (तारा

1927年 1978年 1878年 1878年

जं क्राच्ये देशा: .ट

Self de matter

أنستند لنذري ويتعد

理想, 2: 2.22.127人

ತಿತ ಮಾಜದೇ ಜ

in the arrived is

MS IN 6 DAYS

전된 [p ini]

manager of OLB's London branch which made the investment, said it would bring an opportunity to develop throughout the UK. OLB already owns leasing companies in Austria and the US. Hungary plans to privatise
 state enterprises and liqui-

date 35 others this year. The moves will be part of a six-month "fast economic programme" designed to prepare the economy for a three-year plan to begin next January.

LONDON MARKET STATISTICS

FT-AC	CTU/	ARIE	S SH	ARE	İNC	ICE	5			
⁰ The Financial Time				-	-		•			
in conjunction with the institute of Actuaries and the Faculty of Actuaries										
EQUITY GROUPS		Mor	iday Ji	aly 2]	Fri Jua 29	Thu Jun 28	Wed Jus 27	Year ago (agorox)		
& SUB-SECTIONS			Est. Earnings	Gross Div.	Est. Pr	xzi adi.	<u> </u>		<u> </u>	
Figures in parentheses show number of stocks per section	index No.	Day's Change %	Earnings Yield% (Max.)	Yleid% (Act at (25%)	Ratio (Net)	nd adj. 1990 to date	Index No.	index Ro.	tadex No.	Index No.
1 CAPITAL GOODS (195)	899.78		12.89	5.11	9.46	19.75	900.08	896.27		956.11
2 Building Materials (26)	1154.15	-0.1	13.27	5.22	9.31	27.29			1153.85	
3 Contracting, Construction (36) 4 Electricals (10)	11477_32	+0.3	16.28	5.56 5.26	8.00 10.94	34.92				
5 Electronics (26)	1917 (K	10.5	10.30	9.20 4.14	12.56	61.43	2529.79 1807.96			
6 Engineering-Aerospace (8)	475.69	-03	13.63	4.95	8.75	9.54				
7 Engineering-General (45)	498.48	+0.1	11.83		10.21	10.10				
8 Metals and Metal Forming (6)	500.85	+0.5	23.26	6.71	5.23	26.45	498.21	496.90	501.60	512.57
9 Motors (14) 10 Other Industrial Materials (24)	376.90	-0.8	14.75	6.11	7.90	9.81		377.95	375.26	325.76
10 Other Industrial Materials (24)	1619.67	- 0.2	10.93	4.97	10.57	36.58			1628.95	
21 CONSUMER GROUP (179)	1320.45		9.24	3.83	13.37	20.52				
22 Brawers and Distillers (22)	1102U.0/	-0.2 -0.4	9.39 10.23	3.59 4.28	12.88 12.11	23.38 19.91			1612.90 1118.21	
25 Food Manufacturing (20)	2542 48	~~	9.12	3.24	14.05	33.61		2525.24		
27 Health and Household (15)	2600 94	40.6	6.61	2.66	17.99	25.10		2543.81		
29 Leisure (32)	1518 68	-0.2	9.61	4.06	12.66	24.42		1512.65	1519.67	
31 Packaging & Paper (12)	607,23	-0.2	10.92	5.66	11.28	12.94	608,60	607.99	609.59	564.17
32 Publishing & Printing (17)	3559.50	+0.5	10.37	5.19	12.05	8L93		3547.24	3556.62	3524.45
34! Stores (34)	1 813.78	+0.1	10.89	4.60	11.75	15.80		816.15		815.27
35 Textiles (11)	504.64		12.20	7.13	10.34	18.26		502.88	505.11	539.47
40 OTHER GROUPS (106)	1205.66	-0.1	10.81	4.91	11.14	17.19		1198.81	1202.61	
41 Agencies (17)	1201 06	+0.2	5.80 10.91	2.23 5.13	20.88 10.72	31.39	1712.36 1291.53	1694.77 1284.51		
43 Conglomerates (15)	1490 22	-0.3	10.71	5.90	11.79		1694.64		1300.96 1690.02	1222.07
44 Transport (13)	2311.05	-0.7	10.62	4.46	11.95	47.77	2326.27	2319.09	2326.69	
44 Transport (13)	1241.96	+0.2	10.87	4.54	11.95		1239.11	1228.80	1233.56	
47 Water(10)	1958.83	-0.2	16.3B	6.91	6.83	0.00		1959.23		0.00
48(Miscellaneous (26)	11841.31	-0.1	11,91	4.87	9,58	37.62	1843,75	1821.00	1822.57	1661.69
49 INDUSTRIAL GROUP (480)	1192.50		10.61	4.48	11.50	19.89	1192.62	1185.50	1190.71	1148.46
51 0il & Gas (20)	2296.01	-0.3	12.26	5.37	10.78	46.50	2303.07	2281.06	2307.47	2129.64
59 500 SHARE INDEX (500)	1285.58		10.83	4.60	11.40	22.08	1286.22	1277.92	1284.78	123) 31
61 FINANCIAL GROUP (108)	805.62	-0.5	-	5.68		21.09	809.35	803.23	81L34	729,69
61 FINANCIAL 680UP (108)	833,18	-0.6	19.66	6.48	6.66	25.62	838.00	839.27	850.04	716.99
65 Insurance (Life) (7)	2504,49	-1.0	-	4.88		36.94	1519.19	1478.27	1497.22	1068.32
66 Insurance (Composite) (6)	709.78	-0.5	1	5.83	<u>-</u> .	19.43	713.11	702.66	715.29	
67 Insurance (Brokers) (8)	1016.15	-0.4	8.54	6.30	15.44	31.64		1014.87	1020.11	%6.35
68 Merchant Banks (7)	110777	+0.1	7.96	4.63 4.25	16.09	10.76	437.86 1106.38	438.73 1093.68	438.76 1094.12	331.07 1305.33
70 Other Financial (24)	294.99	-0.7	10.42	6.63	12.47	7.47	296,94	298.25	298.37	358.75
71 Investment Trusts (67)	1225.16	+0.4		3.18		15.35		1218.98	1220.16	
91 Overseas Traders (5)	1456.62	+1.0	9.67	6.27	12.35			1434.05		1326.52
99 ALL-SHARE INDEX (680)	1170.25	-0.1	-	4.72			1171.28			1108.83
	Index	Day's	Day's	Day's		Jes				
	No.	Change	High (a)	Low (b)	JB1 29	28 ·	Jun 27	.j#a 25	. Jan 25	Year
FT-SE 100 SHARE INDEX	2372.0		2384.1							2165.6

FD.	(ED	NTE	REST	<u> </u>			AVERAGE GROSS REDEMPTION YIELDS	Mon Jul 2	Fri Jun 29	Year ago (approx.)
PRICE INDICES	Mon Jul 2	Day's change %	Fri Jun 29	xd adj. today	xd adj. 1990 to date	1 2	Heilish Government Low 5 years Coupers 15 years	10,66 10,65	10.62 10.61	9.40
British Gererants 1 Up to 5 years 2 5-15 years 3 Over 15 years 4 Irredeemables	115.70 122.55 126.31 143.90	-0.11 -0.19 -0.17	115.71 122.68 126.55 144.15	11,11	6.53 6.91 6.15 7.35	6 7	Mediam 25 years. S years. Coopers 15 years. 25 years. High 5 years. Coupers 15 years. 25 years.	10.65 11.97 11.13 10.77 12.07 11.36 18.99 10.65	10.61 11.95 11.10 10.75 12.05 11.34 10.96 10.63	10.85 9.83 9.45 10.98 10.09 9.64
5 All stocks Index-Linked 6 Up to 5 years 7 Over 5 years 8 All stocks	146.59 137.87	-0.02 -0.26	122.47 146.61 138.23 138.74	-	1.49 2.03 1.99	11212	Index-United	5.33 4.23 4.25	5.31 4.21 4.23 4.02	3.77 3.71 3.00
9 Behesters & Loans .	100.72		98.87 73.74	-	6.11	15 16 17	Bels & 5 years	13.96 12.83 12.50	13.91 12.86 12.85	11.33
#Opening Index 2373.6: mm 2371.5: (a) 9.46	9 am 238 am (b) 3	0.7; 10 as .00pcs + F	 2383.3; at.yield.	11 am 23 Fighs and	l 80.3; Noc Iguis reço	n 23	73.1; 1 pm 2372.4; 2 pm 2371.8; 3 Se dates, values and constituent cha	nm 2369 2	4.4 em 23	21 2:4 10

RISES AND FALLS	YESTER	DAY	
Funds Atloss, Domisios and Foreign Boods Lis Lis Lis Lis Lis Lis Lis Lis Lis Li	Rises	Falls	Same
	1	76	22
	0	5	18
	297	316	960
	161	116	460
	22	26	40
	0	0	10
	57	27	81
	38	94	103

EQ	JĮTI	E\$							_		
Issue Price	SOUR Paid Resource			90	Stack	Closing Price	+or	Met Dir	Time	Gross Vide	P/E Patilo
	-	Ż	High	Low						<u> </u>	Γ~
-	F.P.	-	New Series	1947 M 2819	ABI Leisure 10p	HOWHIP SERVER HOW AND WARE	*1	84.7	33	4.8	8.6
58	F.P.	- 1	郑	14	To Warrants	%%	1 1	-] [! =	_
- 1	F.P.	- 1	46	238	Do. Warrants	11	3			I -	=
- 1	E.P.	- 1	22	10	Co. Warrants	70	-2	-	- 1	 -	- 1
-	F.P.] =]	100	6	French Property Tst		! !	_] =	I =	-
520	F.P. 1	-	39	ž		36	l i]	=	=
100 100	F.P.	-	88	85	leinen Justitia 10p	83		el.75	25	25	13,7
100	F.P.	- 1	78	2	Intram Justitia 10p Jupiter Euro lav. Tst Do. Warrants	' \$5 I	1 1	<u>-</u>		- 1	i -
£1.08	F.P.	- 1	100 39 38 38 38 116	528551374 <u>9</u>	eLemented So	126	+1	R4.05	24	4.7	73
- 1	F.P.	i - 1	# 1	35	Larry lark Wante	40	-ī	_	- 1	-	-
977	F.P.	! = !	15 I	77	M & W 10p	54	-2	12.2	2.9	3.5	9.4
120	F.P.	-	130	100	Pittercrief 100	129	T 1	123	1.8	24	16.5
120 124 1200	F.P.	- 1	44 33 38 180	84	AProtes Intl.	96	+1			<u>-</u>	
\$100	F.P.	- 1	148	25	Slam Select. Growth Tot	1423		· -	-	! -!	-
= 1	F.P.	- 1	35	30 35 200	Do, Warrants Southead Prop Wrysts	, 줒!	ll		=	[]	1 :
	F.P.	-	215	200	Wiggles Teace Appleton	209	-12	6.35	2.0	5.3	20.9

FIXED INTEREST STOCKS

LONDON RECENT ISSUES

	Issue Price	Amount. Paid	Lattest	19	90	Stack	Clasing Price	
	£		Date	High	Lów	•	, E	١.
	100p 100p 100p 100p 100p	RIR F.P. F.P. F.P. F.P. F.P.	•	29 101 67p 115p 46'sp 105g	19 90 839 968 269 959 329	BICC Cop Pin 10 75ec Co Cap Bids 2020 ABRUSHIN PRO 129c CV Line Lo. 2005. European Leisuw 8 7.5e (Necl Co Pin Pin Report Cap Pin 14 Lipe Cv. Bids 2005 Resident Cap Pin 15 Lipe Cv. Bids 2005 Resident & Dolman 9 3.9c Cb Bids 2005 Resident & Dolman 9 3.9c Cb Bids 2005 Resident & Co Pin	1149 839 1149 449 959	1
			_	R	GHT	8 OFFERS		_
_	issue Price	Amount, Paid	Latest Respons	19	90	Stock	Clasing Price	
	P	坤	Date	l∰gh	سيا ا	<u> </u>	P	-
2	10 335 105 50		-	1cpm 73pm 70pm 5pm	Agent Agent Zighen Zighen Zighen	"Caldwell levs. 10p Cater Alles Hidgs. £1 \$EW Fact 5p \$Expedier Jalane	Apm 45em 68em 3em	-
	CORE MADE	OR UNION	60 feeth .	es based on capital.g / cal paymen lend and ylu	Accounted all	estimates, d Divideed rate paid or payable videod and yield, q Earnings based on prei Ast, or estimated annualised divideed rat o prospection or other official estimates for	ے حصفیدا	_

TRADITIONAL OPTIONS						
First Dealings Last Dealings Last Declarations For settlement rate indications are don Share Service	July 2 July 13 Oct. 4 Oct. 15 and of	Calls in Countryside Prop Gzelic Res., Hibernian, Mor ment Oli & Ges, Oliver Res. a Victors. Puls in Alfred McAlpi and Spayhawk.				

• F

LONDON TRADED OPTIONS A total of 13,241 options

recovery in the stock market. LONDON'S derivative markets

markets.

Trading got off to a slow start but by mid-morning the futures market was making a determined effort to pull ahead of its underlying equivalent. September FT-SE index premium over the cash market extended to 75 points at assessment and befored exercited.

THE SECTION OF THE CHILD

in tracked options dealing was slow with few incentives for investors to become exposed to the market. The advent of German monetary union and talk that US interest rates could be provided but the mostlicit as any

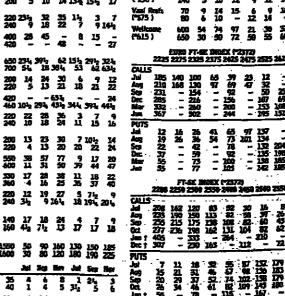
reduced put the spotlight on over-

Brit. Telecoss 280 25 32½ 39 3½ 5½ (*302.) 300 9 19 26 11 13½ 330 1½ 7½ - 36 36

Any Cal Dex Any Cal Dex

futures prices backed off, only to spend the rest of the day locked total of 1,577 changed hands and was divided between 1,277 calls and 300 puts. The September 160 calls, at 925 lots, were the busi-est. Other active options included GEC, which traded 1,242; Hanson

		-44	स्य	444	-	957	785	900	_	545	Dec	-	St		
5	330	22.9	43 24	36	3	7 18	2	Alber Nat. (*214)	200 220	22 9	27 15	33· 21	5 15	7 17	19
		27 654	99 29	170 S0	34	36 4½		Anstrad (*72)	. 70 . 80	9	12 7	15 10	4½ 10½	6½ 12	13
	700 750	24	471 <u>.</u>	-	71, 425,	=	234 <u>.</u>	Barclays (*391)	390 393	20	31	4 6	16	19	24
	300 330 360	芝 13	48 27 14	62 40 27	2 8 30	5 16 32	8 18 33	Sion Circle (*251)	240 260	22 12	31 28	Q 又	18 18	11 22	13 24
			 Nor			Ner		British Gas (*223)	220 240	91 ₂ 3	17 8	20 11	11 26]] 25	13 21
_	500 550 600	46 16	62 35	62 53	8	19	23	Diams (*345)	140 160	13 4½	18 9	23 14	8½ 21	<u>11</u> 23	12 24
	600 396	5	17	33 73	75	77	82 11	Glaze (*834)	800 850	72 39	87 59	117 87	15 35	30 50	5 5
	420 460	22 7	43 22	33 33	10 35	17 38	22 42	Haminer 5166. (*646.)	609 650	73 40	87 55	77	7	13 35	35
	637 650 687	39 10	62 32	73	37	16	ž	Affiniens (*282.)	290 300	20 10	30 19	39 29	10 21	14 24	16 25
	390 420	44 23	33 33	67	2 2 10	42 7	11	Londo (*263)	260 273	11	21	31	22	ā	23
•	460 280	4 25:	16	46 27 39	男	20 45 55	22 47 8	Midland file (*287)	260 300	22 12	33 22	43 30	9 24	15 28	19 35
•	330 330	9 15	29	26		135 36	หู	R. Royce (*227)	220 240	19 8 2	あ #2	33 22	5 16	7½ 19	12 21
	300	68	77	88	ΙĄ	31 ₂	5	Scars (*96.)	95 : 100		15 81 ₂	18 12	7 ³	5. 54	10 6
	330 360	41 17	첫	45	11	15	11 22	THF (*510)	330 300	25 10	34 19	45 29	24 24	14 27	17 30
	750 890	64 28	90 57	ᄧ	22	16 32	21 37	Thom EM1 (*779)	750 800	43 21	68 40	90 64	25 52	27 55	33 57
	180 200	18 5	21 10	26 14	3 134	5 154	7 17	GT39) 128	130 140	16 5	16 16	17 12	3	12	<u>ን</u>
	220 : 240 :	25%	32 18	35 22	14	3	7	Vani Reefs (*\$75)	70 90	3	14 10	15	12 12	24	10
	400	25	45	-	8	15	=	Welksone (*615)	650 650	54 30	74 50	97 72	21. 50	56 55	57 60



GLOBE

Should you v accepting our

UK COMPANY NEWS

Chairman warns of foreign threat to UK brewing industry

S&N advances 33% to £183m

A JULY 3 IN

Manily deposits of the season
Supplied Sup

Alleria to the same of the sam

trian bank

i lease

ip stake

dd Lascelles,

ichische Land dann berg lein alling allen ich seing, die d'ich seing, die d'ich seing, die d'ich seing, die d'ich

eges has who

and specialized

Think it says and a second sec

Man - Land

And the T

ALCON MAN

FEET SALES THE

4---to La Colonia

ACTOR FOR THE

ar 14 17 37 de

* . 15 × 455 72 12 d.

MR ALICK RANKIN, chairman and chief executive of Scottish & Newcastle Breweries, yesterday warned that restriction's on expansion in the British brewing industry might allow non-UK companies to buy into the sector on a large scale Mr Rankin was announcing

a 33 per cent increase in profits at the brewing and leisure company it made £183m before tax in the year to April 29, compared with £184m in the previous 12 months.

Referring to recent investiga-tions into the brewing industry by the Monopolies and Mergers Commission, Mr Rankin said: "What we want to see is an industry which is allowed freer rein to manage its own affairs in the face of the single European market; where major players are allowed to be very dominant. The chances are that in future the big players in the UK will have to be for-

Mr Rankin said S&N would probably not be able to add to its market share in the UK of just over 11 per cent because of the restrictions. Brewers are awaiting the MMC's report into a pubs-for-breweries swap proposed by Grand Metropolitan and Elders IXL, the Australian

brewing company. Elders' bid for S&N last year was itself blocked by the MMC and Mr John Elliott, Elders' chairman, was forced to sell his company's 23 per cent stake. It was placed with more than 60 institutions in March. S&N, responsible for well-known beer brands like McEwan's Export and Newcas-

Hilclare improves

22% to £322,000

The current year had started

encouragingly, the directors

Earnings per share came to 8.01p (6.6p). The dividend is the forecast 1p (nil).

Alick Rankin: organic growth from leisure division would probably be strong enough to remove the need for further acquisitions

tle Brown, increased turnover time operating profit of £44.2m. from £1.03bn to £1.24bn and from S&N's new leisure diviearnings rose to 28.79 (23.4p). A final dividend of 8.58p makes 13p (10.83p) for the year. The figures included a first-

S&N launched its new European leisure strategy last year after selling its Thistle chain of

hotels. The group bought a 75 per cent stake in Center Parcs, the Netherlands holiday village operator, and mopped up the outstanding 50 per cent of Pon-tin's, the UK leisure group. Mr Rankin said organic growth from the leisure division would probably be strong enough to remove the need for further acquisitions.

Beer interests reported operating profits of £152m (£133m) last year, and hotels made £14.8m (£25.1m). The sale of Thistle contributed £416m to extraordinary profits of £424m.

COMMENT

It sounds a little odd for Mr Rankin to rail against restrictions on expanding brewers the year after the MMC saved S&N's skin. The group has now signalled its intention to grow the brewing side by selling down to the government limit of 2,000 pubs, but it will be intriguing to see just how S&N achieves that growth without rousing the regulators. Indeed, there are some who argue that an MMC report preventing the GrandMet/Elders deal would bolster S&N's share price -down ip at 339p - because it would limit the potential for injudicious acquisitions. As it is, the group can sit back and enjoy the benefits of the This-tle cash for one more year. That should help push up profits to about £230m before tax in 1990-91, putting the shares on a prospective multiple of about 10. They look fairly valued, at least until the results of the MMC report are known.

Rockwood deal falls through

Hilclare, the Third Market-listed maker of elec-tronic, security and lighting products, increased pre-tax MR LEE MING TEE, a businessman who was to inject £5m into Rockwood profit nearly 22 per cent, from £265,000 to £322,000, in the year ended March 31 1990. Holdings, appears to have pulled out of the deal, leaving the USM-quoted freight and distribution company to put Turnover was up from £1.93m to £2.76m, representing sustained growth both in together another rescue packterms of product range and expansion of the customer

A brief statement from the company yesterday said that Mr Lee's subscription of 9.5 per cent secured convertible debt "had not proceeded". Mr Tom Forrest, Rockwood's chairman, was unavailable to

The cash injection was part of a rescue plan put in place in May after Rockwood reported losses for 1989, an increase in debt and problems with various acquisitions. Now Rockwood is having to look for alternative refinancing methods.

Yesterday's statement said that the proceeds of various disposals had "substantially reduced" Rockwood's borrowings and negotiations about further disposals were welladvanced.

Mr Lee has had links with 1988.

Mr Forrest since the Asian headed Wormald Interna-tional, the Australian fire protection company which is still the largest investor in Holmes Protection

Mr Forrest and his colleague Mr Brian O'Connor stepped down as vice chairman and chairman of Holmes, a New York security company, earlier this year. Mr Lee resigned as chairman and director of Wormald in

Laura Ashley sells Penhaligon's for £6.5m

By John Thornhill

LAURA ASHLEY Holdings, the fashion and household furnishings retailer which has been hit by turbulent trading, is selling its Penhaligon's per-fume business for £6.5m in cash plus a reduction in debt

The buyer is The Limited, a US retailing group, which only last year was involved in a bitter legal wrangle with Laura Ashley over alleged copying of

Penhaligon's products.

Penhaligon designs and produces a range of perfumes, tolletries and silver gifts. Its products are sold through seven shops and one sales outlet in the UK and through two

sales outlets in the US.
Mr Andrew Higginson,
Laura Ashley's recently-installed finance director said: " would say it was a very good price for us."

He also suggested there might be more disposals. "We are concentrating on the core brand and how to exploit it.
That is where all the emphasis
is being put. Anything else is a
distraction." In the year to January 27 1990, Penhaligon's reported a

pre-tax loss of £921,529 on sales of £1.65m. The value of its net assets is about

The Limited is also repaying borrowings of about £1m. Laura Ashley will use the proceeds to reduce its borrowing levels.

Laura Ashley bought Penhaligon's for £1m in 1987 when it was diversifying away from its traditional floral prints business.

Penhaligon's was founded in 1870 and supplied fragrances to Queen Victoria. It will now form part of The Limited's stable of retail businesses, which also include Express, Victo-ria's Secret, and Abercrombie & Fitch. The company runs

& Fitch. The company runs
3,230 fashion stores throughout the US.

Laura Ashley filed a law
suit against The Limited last
March claiming it had copied
Penhaligon's glass-stoppered
bottles, the name of its products and the design of labels
and packaging, including the and packaging, including the simulation of royal warrants. The action was finally set-

Hampson buys ex-Coloroll furniture brands

By Alice Rawsthorn

Hampson Industries, the West Midlands-based industrial group, has bought the furniture businesses originally owned by Coloroll, the home

products company which went into receivership last month.

All the Coloroll companies have been up for sale since it called in Ernst & Young, the accountancy group, as its receivers in early June. Colo-roll went under – with debts of up to £400m – when the home products market was hit by high interest rates.

Shortly after its appointment Ernst closed down the Coloroll furniture companies. which employed more than 600 people, because they were making "unreasonable losses". It sold the rights and title to the companies to Prestige, a privately owned furniture business in Wales, which has since sold them to Hampson.

Hampson already owns two furniture businesses, Ian Walker and Monogram, and is also involved with aluminium refining and precision engi-neering. It has bought the brand names of the Coloroll furniture companies – Wil-liam Barrett Furniture and Nu Trend Upholstery - together with the order books and some machinery, but not the facto-

The production from the old Coloroll factories will be transfered to Hampson's new furniture plant at Dudley in the West Midlands. Hampson hopes to create 180 new jobs there through the addition of the Coloroll business.

The other Coloroll companies – which are involved with carpets, home furnish-ings, wallcoverings and ceramics - are still up for sale. Ernst has received "several hundred" inquiries from pro-spective purchasers. Some abers of the old Coloroll management team are also said to be interested in parts of the group.



\$200,000,000

payment date 27 September, 1990 against coupon No. 18 will be £189.83 per £5,000 Note and £3,796.58 per £100,000 Note.

Agent Bank:

Hazlewood Foods sells confectionery arm for £59m

By Nikki Tait

ing group, has sold its confec-tionery and snacks division to

management for £59m. The consideration comprises £51m cash and an £8m unsecured loan note. Hazlewood also has the right to a 7.5 per cent equity stake in the new company.

Hazlewood announced that it was in negotiations with management when giving its full-year results last month. At the time, analysts' estimates of the sale proceeds ranged about the 250m-70m level. Yesterday's news left Hazlewood shares

down 8p at 156p.

The funding for the deal is coming from a variety of sources. The equity element amounts to £13.5m and, apart from the management's contribution, is being provided by Citicorp Venture Capital and

HAZLEWOOD FOODS, the County NatWest Ventures. Derby-based food manufactur—There is then a £10m tranche There is then a £10m tranche of mezzanine funding, coming from Intermediate Capital

Group. The debt element breaks into three parts: a £13m term loan,£3m of bridging finance and £11m of working capital facilities. The senior debt is being provided by Bank of Scotland.

About ten members of management are contributing to the buy-out, according to Mr Philip Courtenay-Luck, chief executive of the division, with the possibility that "a few

more may come in".

The division, which comprises both snack products and a mixture of chocolate and sugar confectionery, had sales of £72.8m in the year to end-March, with operating profits of £6.5m and pre-tax profits of

Its operations span several countries and a relatively generous £8m has been earmarked for capital expenditure during the first two years. Mr Cour-tenay-Luck said that this was destined principally for the German companies, for the snacks side, and for the Craven

sweets business. Hazlewood, meanwhile, said that the cash injection should reduce group gearing from 121 per cent at end-March to about

65 per cent. It added that various offers had been received for bits of the business, but manage-ment was the only party offering to take the entire divi-

Mr Courtenay-Luck indicated that there was a possibility that one of the con-stituent businesses might now be sold, but declined to elabo-

Wessex Water beats its profits forecast by £2m

By Andrew Hill

WESSEX WATER, one of the 10 privatised water companies, yesterday promised not to impose restrictions on water use in its region this summer,

in spite of the dry winter.

The group, which also managed to maintain unrestricted supplies last year, announced that it had beaten its prospec-tus profits forecast by £2m in the year to March 31, making £27m before tax. The previous

year's profit was £24.1m. A dividend of 10.14p is recommended, in line with the forecast in December.

Last month Wessex became the first of the large water and sewerage companies since pri-vatisation to reveal a stake in a statutory water company. It controls 1.54 per cent of the votes in Bristol Waterworks Company, which supplies water within Wessex's region.

Turnover rose from £130.8m to £147.8m. There was an extraordinary charge of £4.2m (£1m) relating to privatisation and restructuring costs.

Had the new capital struc-ture of the industry been in place for the whole year, Wes-sex would have made £56.5m before tax, against £54.5m forecast in the prospectus. Earnings would have been 50p.
Wessex invested £95m (£68m)

in capital projects and said it completed those projects about

Mr Colin Skellett, managing director, said the group had maintained fairly high capital expenditure in recent years, even before privatisation. "As a result, the sort of level of capital spending we have now reached will be the level for the next few years," he added.

O COMMENT

Wessex is one of the smallest privatised water companies, but it also appears to be one of the most attractive. Bringing in the capital expenditure programme below budget is proba-bly not that significant at this early stage — most other water companies are doing so — but it lends support to the view that Wessex has valuable experience in the management of large spending programmes; the news that capital spending will not rise substantially in the next few years, which sur-prised some observers, is a further attraction. Lyonnaise des Eaux, the large French water supplier, bought 6 per cent of Wessex just after flotation, and is said to be an admirer of the group's strengths in informa-tion technology. Assuming Wessex's profits exceed £58m before tax this year (against the pro forma figure of £56.5m), the shares, down 2p at 157p yesterday, look reasonable value on a prospective yield of

4 per cent within its budget. about 7.5 per cent. **DIVIDENDS ANNOUNCED**

cosby (James)fin	2.5	Oct 4	25	3.75	3.5
NFCint	4.5	-	4.5	-	13
liciare 🕈fin	1	Sept 21	nii	1	nil
chertson Gpfin	3.2	Oct 1	27	4.5	3.8
cott/Newcastlefin	8.58	Sept 10	7.73	13	10.83
Init Group 4fin	2.5t	Oct 1	2.5	5	5
Vessex Waterfin	10.14	Oct 1	-	10.14	-

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip Issue. †On capital Increased by rights and/or acquisition issues. §USM stock. •Third Market stock.

Bowthorpe expands in US with \$32m buy

By John Thornhill

Bowthorpe Holdings, the electronics components group, is expanding its interests in the US by way of the acquisition of Thermometrics, a components manufac-turer based in Edison, New

Jersey, for \$32m (£18.24m). The acquisition, which will represent the largest purchase that Bowthorpe has yet made, will complement its range of temperature control activities. Both Thermometrics and Bowthorpe will market the combined range of products in the US and

Europe. "We shall get an extension of market coverage and range of products," said Mr John Westhead, managing

Thermometrics designs, manufactures and sells thermistors in North American and Far East markets particularly for use in medi-cal, industrial and electron-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually heid for the purpose of considering dividends. Official indications are not available as to whether the dividends are interiors or finals and the subdivisions shown below are based mainty on test year's timetables.

TODAY ms- James Dickie, Newman Tonks, Par Industries James Ucture, Promutant toward, and industrials Fine Arts.
Fineirs Associated British Eng. Baker Harris Saunders, Birmingham Mins, Buckmail Austin, CH Industrials, Farepair, Fiaming Inv Trust, General Electric, Philip Harris, Jurys Hotel, MMC, Pepe, Reed Esscutive, Scottish & Marcandie Inv Trust, Shield.

FUTURE DATES

WESSEX SETS HIGHER STANDARDS

Preliminary results for the year ended 31 March 1990 £148 m ¬Turnover £27 m Pkofit before tax Dividend per share 10.14 p

an delighted to ginnounce profits eight per cent ahead of those serecust at the filme of flotation. The benefits of privatisation for Wessex shareholders and for Wessex customers and their environment are already emerging.

The high standards of drinking water, treated effluent and bathing waters were improved further during the year. Wessex was the first utility to be tright commended by the British Quality Association for our customer service systems. We shall continue

Nicholas Hood, Chairman

The report and accounts will be posted to shareholders in August. For a copy please write to: Public Relations Department, Wessex Water Plc, Wessex House, Passage Street, Bristol BS2 OJQ

Floating Rate Notes 1996 Notice is hereby given that the rate of interest has been fixed at 15 % p.a. and that the interest payable on the relevant interest

Lloyds Bank Plc

CLOSES IN 6 DAYS OFFER CLOSES IN 6 DAYS OFFER CLOSES IN 6

BRITISH COAL PENSION **FUNDS**

FINAL OFFERS

CLOSES IN 6 DAYS OFFER CLOSES IN 6 DAYS OFFER CLOSES IN 6

BY

CITYSTONE ASSETS PLC

FOR

GLOBE INVESTMENT TRUST P.L.C.

205p

ACCEPTANCES TO BE RECEIVED BY NO LATER THAN

1.00PM ON MONDAY 9th JULY, 1990

Should you wish to sell your shares to us for CASH NOW rather than accepting our offer, please instruct your stockbroker or bank to contact Barclays de Zoete Wedd Securities Limited.

Barclays de Zoete Wedd Securities Limited was instructed on 20th June, 1990 by Citystone to purchase up to 95 million Globe Ordinary shares (17.64 per cent of Globe Ordinary shares) on its behalf for immediate cash settlement. Whilst this order currently remains open, Citystone reserves the right to change it in any way without further announcement. The issue of this advertisement has been approved by duly authorised commitnees of the directors of British Coal Staff Superannuation Scheme Directors") and of the trustees of the Mineworkers" Pension Scheme and of the directors of Citystone. The Staff Superannuation Scheme Directors, the trustees of the Mineworkers" Pension Scheme and the directors of Citystone (all of whose names are given in the Original Offer Document) accept responsibility for the information contained in this advertisement. To the best of the knowledge and belief of the Staff Superannuation Scheme Directors, the trustees of the Mineworkers" Pension Scheme and the directors of Citystone (having taken all reasonable care to consure that such is the case) the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The issue of this advertisement has been approved by Barclays de Zoete Wedd Limited for the purposes of Section 57 of the Financial Services Act

the lastic of this advertisement has been approved by Barciays de Zoete Wedd Limited for the purposes of Section 57 of the Financial Services Act 1986. Barciays de Zoete Wedd Limited is a member of The Securities Association.

sotware company Metals and processi

services group

Metals group

automotive comp IBA contractor for Cumbria, USM-quo

l'aitors, primers,

Producer of special

software company Largest ITV company DIY retailer, building

West Country brewer

Publisher of Daily Mail,

importer and distribute Construction, building

Maker of pet products

Car dealing, comp

property developer Fashion retailer, owner

Housebuilder, comm

property developer

es and sells caston

materials group USM electronics, co

and wheels

Evening Standard USM tile, kitchen

USM Computer services

endent compute

and motor reta

and services

Building ma

Automotive, engine

Dry cleaning, industrial

Share price

180-180

88p-85p

236c-206n

397p-366p

230p-227p

41p-37p

615p-360p

398p-360p

249p-241p

230-150

299p-219p

190p-185p

250-£49

81p-68p

91p-61p

57p-51p

245р-244р

148p-105p

258p-239p

346¹2p-189c

61p-56³2p

125p-90p

182p-185p

164₀-149₀

153p-144p

48₇2 p-42 p.

153pt

THE BANK OF NEW YORK

is pleased to announce the NYSE listing of the

SPONSORED AMERICAN DEPOSITARY RECEIPTS

for

The RTZ Corporation PLC NYSE Symbol: RTZ



For further information regarding The Bank of New York's ADR Services, please contact Kenneth Lopian in New York (212) 815-2084, or Michael McAuliffe in London (071) 322-6336.

German Law Firm

BEITEN, BURKHARDT, MITTL & STEVER Rechtsamwälte • Wirtschaftsprüfer

is pleased to announce the opening of its

LONDON OFFICE

· at

Swedenborg House 21 Bloomsbury Way London WC1A 2TH Tel: (071) 242 44 66 Fax: (071) 242 44 67

Widenmayerstrasse 36 D-8000 München 22 Tel: (089) 231910-0 Fax: (089) 231910-14 Paris, New York, Dresden, Plauen, Hof, Nuremberg

NOTICE OF REDEMPTION

MORGAN GUARANTY CmbH (now JP Morgan CmbH)

Floating Rate Participation Certificates Due 1992 issued for the purpose of making a loan to

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Paying Agency Agreement and the Terms and Conditions of the Certificates, Morgan Guaranty Trust Company of New York, as Principal Paying Agent, has selected \$14,290,000 principal amount of said Certificates for redemption on July 31, 1990 at the redemption price of 100% of the principal amount thereof. The Certificates so selected are those bearing the serial numbers and follows:

ALL OUTSTANDING CERTIFICATES WITH SERIAL NUMBERS ENDING WITH ANY OF THE FOLLOWING TWO DIGITS 16 19 23 27 35 ++ 54 55 59 74 76 78 82 89 97

ALL OUTSTANDING CERTIFICATES WITH THE FOLLOWING SERIAL NUMBERS

On July 31, 1990, the Certificates designated above will become due and payable at the redemption price as aforessed in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts therein, and will be paid, upon presentation and surrender thereof with all coupons opportaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Irust Department of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N. V. 10015. or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels. Frankfurt/Main or Loudon, or the main office of Swiss Bank Corporation in Switzerland, or the main office of Banque Internationale à Lusembourg. Payments at the office of any paying agent outside of the United States will be made by cheque drawn on, or transfer to a United States dollar account with, a bank in New York Ciry, Any payment made within the United States or transfer to an account maintained by a non-U.S. payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8 certifying under penalties of perjury the payee is not a United States person. Payments to non-exempt U.S. payees are required to provide to the Paying Agent an executed IRS Form W-9 certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social service manuer, as appropriate) to stoold 20% withholding of the payment. Failure to provide a correct taxpayer identification number as socials as the payer to a penalty of \$50.

Silver a U.S. payer to a penalty of \$50.

Coupons due July 1990 should be detached and collected in the usual manner.

From and after July 31. 1990, interest shall cease to accrue on the Certificates berein designated for

MORGAN CHARANTY TRUST COMPANY OF NEW YORK, Principal Paying Agent.

region de la compresenció de la transferio de la competito de la competitación del competitación de la competitación del competitación de la competitación del competitación de la competitación del competitación de la competit

UK COMPANY NEWS

Warnings that can be harbingers of doom

PROFIT AND/OR TRADING WARNINGS IN FIRST HALF OF 1990

Share price

197p-172p

330-250

414p-388p

355p-349p

119p-114p

1220-1190

132p-77p

\$10o-289p

227p-219p

£105-E8¾

2470-2250

Jun 11

73pf

Logica

Albert Martin

Flexell Caston

Armitage Bros

A reminder that profits can go down as well as up, Andrew Bolger reports

USIM chain of

retail coticiens

Azterials suppl

USM mainframe

ware house

London-besed bank

Hosiery group Defence menui

Clothing leather

Futures clearing and

Industrial materials.

aggregrate group USM maker of Chris

electrical products

Building materials,

goods retailer Distributor of facalmi

USM clothing importe USM freight and

Clearing bank

Dutch commercia

kets . .

acturer, propert

The second commence of

Jones, Stroud

Hunter Print

Sock Shop Inti

LIT Holdings

Porth Group

Forward Group

Courtney, Page

Yorkshire Radio

Rockwood Holdings

More O'Ferral

ASD

Price change on day of ann

keep them informed and turned on them almost with-

out exception. Last week.
Mecca reluctantly recommended acceptance of a hostile 2544m takeover bid

from the rival Rank Organi-

issued warnings broadly reflect known areas of pain in

the domestic economy retailers, computer software houses, builders and property

developers are all well repre-

sented, and the current plight

The companies which have

Apr 26

April 27

Erskine House Group

F. Copson

English China Clay

Feb 8

Feb 13

Standard Chartered

the twilit period in the City on a Friday after the market has closed at 4.30pm, but before the Stock mge's company news ser-

vice shuts down at 6pm. Sometimes the announcement is baldly labelled as a 'profits warning" – more often it is flagged as a chairman's statement regarding current trading conditions."

The result is almost invariably the same: a sharp fall in the share price (as soon as trading is possible) and a reconsideration by analysts and investors of the com-

pany's prospects.

After several years of record corporate earnings, the City is once again being reminded that profits can go down as well as up. In the first six months of this year, the FT has reported 75 warnings about profits or trading

From a low of four in nies involved grew to a peak of 19 in June. Will this trend continue,

and is it an early indicator of a looming domestic reces-Profits warnings certainly can be harbingers of doom for

the companies involved. Coloroll, the home products group, issued a warning in January, and went into receivership in June. Sock Shop International, the hosiery group, cautioned the market on February 1 that it would report a "material loss" — and 20 days later appointed administrators.

However, most companies which issue warnings are in no danger of going under. The accompanying table (which does not claim to be comprehensive) includes some of Britain's biggest and best-known companies. The stock market largely trades on expectations and even the biggest players may find they need to inform the City about changes in their

Traditionally, the biggest companies have been able to adjust expectations by brief-ing the analysts and brokers who follow them, but under Stock Exchange rules all such price-sensitive information should be made freely available to the whole mar-

Sometimes companies are pushed into issuing a state-ment about the outlook by a drop in their share price or general gloom about their when a warning was followed by a rise in the share price illustrate that even a forecast of reduced profits can be better than the market's worst

Surprising the market with bad news can have much worse consequences than the pain arising from a profits warning. Mecca Leisure, Britain's biggest leisure-only operator, saw its share price drop by 30 per cent on April 3 after it announced lower profits and higher gearing than had been expected.

Analysts, many of whom had supported Mecca's £750m acquisition of the Pleasurama Group at the end of 1988, were furious about the way

Globe repeats

coal funds offer

Globe Investment Trust has

sent yet another letter to shareholders, urging them to reject the £1.11bn offer from the British Coal pension funds and suggesting that "the Coal

Funds are running out of steam. The bid is due to reach

its final close next Monday. In the market the trickle of

share sales continued with

Seaq showing 1.6m shares traded. Allowing for double-

counting this suggests that less than 0.3 per cent of Globe's equity had been added to the coal funds' tally.

The share sale disclosures, required by rule 8 of the Take-

over Code, showed only one very modest institutional dis-

yery motest institutional dis-posal in recent days. Equitable Unit Trust Managers sold 150,000 shares on June 25, reducing the total stake held by Equitable Life Assurance

and University Life Assurance

to 11.54m shares or 2.14 per cent of the equity.

However, fund managers at
Equitable stressed that "in the
broadest terms, we don't think

the bid is acceptable". The shares sold, they said, had

come from one unit trust, Equitable Trust of Investment

Trusts, which was a short-term

fund and tended to sell when

discounts narrowed, reinvest-ing on wider discounts. The sale, they added, did not repre-sent their general stance.

Correction: An article in

ney as chief executive of Globe but he is in fact the chief exec-

call to reject

exceeded upgrades by two to one, underpinning BZW's cau-tious view of the British mar-

BARCLAYS de Zoete Wedd keeps an index of downgrades and upgrades made by its ana-lysts of forecast company results, based on formal statements by the companies and informal contacts with the analysis. Mr Richard Kersley, its UK equities analyst, said that recent downgrades had

Downgrades underpin BZW's cautious short-term view

ket in the short term At the end of last year, downgrades were running at three to one, and consequently brought forecasts more closely in line with expectations for the March/April results sea-

of the junior market is illus-

companies on the list. However, the list also includes warnings from

trated by the number of USM

Porth, which produces Christ-mas decorations, and Armi-

products. It can be tough in

them there niche mar-

So is the recent wave of

warnings an early sign of a crash in the corporate sector?

It may prove to be so, but the

recent pattern may have as

son. Mr Kersley said this process was at the root of the market's sense of relief

concerned with claims made

in listing particulars and in

much to do with with the tim-

ing of the company results

season as with any underly-

vears end on December 31.

Allowing time for the prepa-

Most companies' financial

ing economic malaise.

through the results season that the reported figures did not wholly disappoint. A similar adjustment in expectations was probably in

1. To hear and accept:

store over the coming

operate an informal "close season" whereby the com-pany and its advisers do not ration of interim accounts, that means the peak of the results season falls in March and September talk to analysts or the press for several weeks before the each year. Stock Exchange rules on results date. profit forecasts are mainly

Companies which knew that things were tough and would be reporting in the autumn have thus had the option of issuing a profits warning or soldiering on silently into their close sea-

explain any material diver-

gence in the company's results from published fore-

However, most companies

It would therefore be rash to read too much into the accompanying table, in spite of the many individual tales

of woe. On the other hand, serious recession watchers who fear the worst is yet to come should not be in too great a rush to leave their Topic

screen on a Friday evening.

U.S. \$50,000,000

Banca Nazionale Dell'Agricoltura Floating Rate Depositary Receipts due 1998/2000 (the "Depositary Receipts")

Repayment at the Option of the Receiptholders on the interest Payment falling in September 1998

Receiptholders are hereby notified that in order to exercise the above option, pursuant to Condition 4 (c) of the Depositary Receipt, the relevant Receipt should be presented to the Principal Paying Agent NOT LATER THAN MONDAY JULY 30, 1990, being 60 days prior to September 28, 1990, with the notice of exercise thereon duly completed.

Upon such presentation the Receipt will be enfaced by the Principal Upon such presentation the Receipt will be enfaced by the Principal Paying Agent to validate the enercise of such option and the Coupons maturing on or after the interest Payment Date falling in March 1999 shall be cancelled by the Principal Paying Agent and the Receipt returned to the holder. Where any Receipt is presented to the Principal Paying Agent pursuant to the foregoing provisions without all Coupons meturing on or after the Interest Payment Date falling in March 1999, velidation by the Principal Paying Agent of the exercise of the Receiptholder's option shall be made only against the provision of such indemnity and security as the Bank or the Depositary Trustee shall require.

For and on behalf of Banca Nazionale Dell'Agricoltura

By: The Chase Manhatten Bank, N.A. Principal Paying Agent Woolgate House Coleman Street



a) the management report of the Directors b) the report of the independent Auditors 2. To approve the Statement of Assets and Liabilities and Statement of

Operations for the year ended 31st March, 1990. To discharge the Directors and the independent auditors with respect to

SUN LIFE GLOBAL PORTFOLIO, SICAV

Registered office: Laxembourg, 14 me Aldringen Commercial Register: Laxembourg section B27.526

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The summal general recetting of shareholders of Sun Life Global Portfolio will

be held at its registered office at luxembourg on the 11th July, 1990 at 15.30 p.m. specifically, but without limitation, for the following purposes:

their performance of duties during the year ended 31st March 1990.

4. To elect the directors, specifically Roland FRISING, Ian
G. SAMPSON, David W.H. SMITH and John D. WEBSTER, to serve until the next Annual General Meeting of Shareholders. To elect Mr William REED as a successor of Mr. Claude AREND who will resign with effect from 11th July, 1990.

To elect the independent suditors, specifically KPMG Peat Marwick Inter-Revision, to serve until the next Annual General Meeting of

6. Other matters. The shareholders are advised that no quorous for the statutory general me is required and that decisions will be taken at the majority of the shares preor represented at the meeting, By Order of the Board of Director

Milk Marketing Board

£75,000,000 Floating Rate Notes 1993

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three month period 29th june, 1990 to 28th September, 1990 has been fixed at 15th per cent. per arms. Coupon No. 18 will. Sherefore be payable on 28th September, 1990 at £1.877.55 per coupon from Notes of £50,000 nominal and £187.77 per coupon from Notes of £5.000 nominal

S.G. WARBURG & CO. LTD.

Agent Bank



TIME TO BUY GOLD? CAL Futures Lid Windsor House 50 Victoria Street London SWIH ONW Tal: 071-799 2233 Par: 071-799 1321

Yorkshire International Finance B.V. £75.000.000 Guaranteed Floating Rate Notes due 1994 Guaranteed on an unsubordinated basis by

Yorkshire Bank PLC

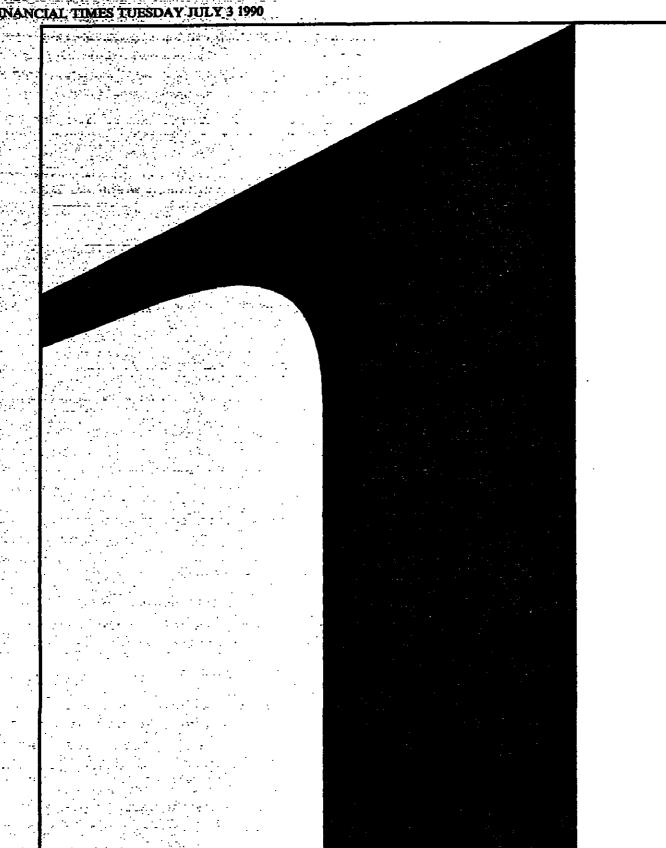
given that for the three month period June 29, 1990 to September 28, 1990 the Notes will carry an interest rate of ISLESS per annum with a compon amount of \$188.54 per 25,000 Notes. In accordance with the provisions of the Notes, Notice is her

& NatWest Capital Markets Limited

Dated: July 1990

utive of CIN Management, which runs the British Coal pension funds. The managing director of Globe is Mr James West.





SDAY RULY 3 h

OF 1990

Modern Market Ma Market Market Market Market Ma Ma Market Ma Market Ma Ma Market Ma Ma Ma Ma Ma Ma Ma Ma Ma

POCAS POCAS POSAS

Andry Services

Dare be<u>s</u> Mare Mare Mare Mare

All Company

Main Bry

alteni, 3 au

SET SCHOOL TO SELECTE SELECTE

e. .

parans wast 2

اليستشق وعاولان

1 Sept 18

Carried Straight

al delice to grant of the second of the seco

iniciae gili.

Over one per cent of Spain's economy. Under one active management.

La Corporación Banesto was formed on June 22nd.

It brings together all of the industrial holdings

of Banesto – one of Spain's largest banks – to create

Spain's largest private sector industrial company.

This company now accounts for more than 1% of the Spanish economy, and over 2.5% of the Madrid Stock Exchange.

With core holdings in fifteen major Spanish corporations and investments in more than 100 other companies, it covers practically every area of Spain's commercial and industrial activity.

Our aim is not merely to invest in these areas however, but to contribute to them.

To give strategic direction to the management of the companies in which we invest. To help plan and promote their development. To make the most of their potential.

The financial strength of the new company gives us an unrivalled opportunity to achieve these ambitions.

Not just in Spain, but throughout Europe and internationally.

It is, in effect, an actively managed slice of Spain.



La Corporación Banesto

The driving force in Spain is now an active force in Europe.

Issued by Corporación Industrial y Financiera de Banesto, S. A. and approved by UBS Phillips and Dates Securities Limited, a member of The Securities Association, for the purpose of section 57 of the Financial Services Act 1986.



EAST RAND PROPRIETARY MINES, LIMITED

(Registration number 01/00773/06) (Incorporated in the Republic of South Africa)

Abridged Chairman's Statement — 1990



OAESATEA

The financial restructuring mentioned in last year's report entailed the conversion of the company's borrowings into "A" and "B" class preference shares to relieve the pressure that crippling interest charges were having on the

Shortly before the annual general meeting in March 1989, when the two classes of preference shares were created, the Minister of Finance announced the basic provisions of amended legislation affecting preference shares. The affect of the amendment was to tax dividend income from preference shares in certain circumstances. The proposal relating to the conversion of short-term borrowings into preference shares fell within the ambit of the amendment and as a result this proposal was abandoned. This set-back was aggravated by the prevailing gold price and the recovery grades at the mine, both of which were below the figures predicted at the beginning of the year.

On 26 May 1989 it was announced in the press that urgent representations had been made to the Government for direct financial assistance. The listings of the company's shares on the Stock Exchanges in Johannesburg and London and the Paris Bourse were suspended to protect shareholders' interests, whilst the consultations with the Government continued.

Agreement between the company, the Government and the major creditors for the continuation of mining operations was eventually reached. Details of agreements and the announcement that the suspension of the listings of the company's shares had been lifted were published in the press on 29 June

Essentially, the terms of the agreements stipulated that the existing loans of R220 million from a consortium of South African banks and R60 million from a commercial bank would not be called up before 31 December 2002, except if deferred and capitalised interest on the consortium loan exceeded R67 Government Interest on the Government guaranteed consortium loan of R220 million would continue to be subsidised by the Government until 31 December 1992 whilst the unsubsidised portion would be deferred and capitalised, to be paid between 1993 and 1995. Interest on the R60 million unsecured loan would be deferred until 31 December 1992. Rand Mines Limited and its wholly-owned subsidiary, Rand Mines (Mining & Services) Limited, also agreed to convert their existing loans of R70 million into "B" class redeemable preference shares. Rand Mines Limited agreed in addition to make available an on al loan facility of up to R20 million, subject to the same terms and conditions applicable to the cosortium loan and the bank loan. Finally, the Government agreed to a subsidy of R8 million per annum for the cost of pumping extraneous water and annual loans of R10 million for the maintenance of the pump-ing shafts. The loan does not attract interest if repaid within five years.

In the discussions with the Government and the consortium of banks concerning the re-structuring of the debt, it was acknowledged that the possibility of converting the debt into an endeavour to remove the obstacles caused by the amendment of the income tax legislation. A proposal was submitted early in 1990 but was not accepted by the Government. Consequently, this option has been shelved for the time being at least.

In my 1988 statement, I alkaded to the prospect of disappointing gold prices in the year ah Unfortunately the gold price remained below expectations for so long that when an increase occurred late in 1989, it was too late to allow the average price of R34 300 per kilogram assumption for 1989 to be achieved.

The average gold price in rands per kilogram for the year 1989 was 2 per cent below the average for the previous year. This was the third successive year in which the gold price in rand terms has failed to incres icient to match the rate of inflation in South Africa.

The recovery grade also failed to meet expectations. The 28 per cent reduction in tons milled was the result of the highly selective mining policy started in 1988. Unfortunately the recovery grade from the reduced level of underground operations increased by only 7 per cent due mainly to the erratic in-situ distribution of gold grades in the

Production at the mine was concentrated in the Cason, Hercules and Far East Sub-Vertical shaft areas. The hope, expressed in the 1988 report, of reaching 60 000 toos per month from

	Year	ended 31 De	cember
OPERATING RESULES	1989	1988	% Change
Underground Operations			
Tons milled — 000	1 604	2 233	-28
Gold produced — kilograms	6 225	8 096	-23
Yield — grams per ion milled	3.88	3.63	+ 7
Revenue - per ton milled	R124.85	R118.76	+ 5
Cost - per ton milled	R168,48	R162.94	+10
Loss - per ton milled	R43,63	R34.16	+28
Cost — per kilogram produced	R43 412	R42 189	+ 3
Sand Treatment			
Tons sand treated — 000	1 416	1 005	+41
Gold produced — kilograms	1 565	963	+63
Yield — grams per ton treated	1.11	0.96	+16
Revenue — per ton treated	R35.56	R31.39	+13
Cost — per ton treated	R12.75	R9.37	+36
Profit - per ton treated	R22. 81	R22.02	+ 4
Cost — per kilogram produced	R11 536	R9 779	+18
Gold price received per kilogram	R32 171	R32 756	- 2
Financial results	Roco	R000	
Working revenue	250 613	296 716	-16
Working expenditure	288 295	350 934	-18
Working loss	37 682	54 218	-30
Sundry expenditure — net (including interest)	17 138	7617	+125
Loss	54 820	61 835	-11
Capital expenditure	32 971	107 588	69

Note: Total mine overheads are borne by the underground operations for purposes of computing underground and sand treatment costs.

the Far East section was realised in October 1989. Apart from the uneconomic areas abandoned under the plan mentioned in the 1988 report, mining from the "L" shaft area became uneconomic, and was stopped. The rate of production through the sand plant was planned to double but financial constraints forced the abandonment of the project, which would have entailed the costly conversion of

FINANCIAL RESULTS

The working loss for the year, when compared with the previous year, was reduced from R54.2 million to R37.7 million. This resulted mainly from lower expenditure of R288.3 million brought about by the reduced level of underground mining operations. Although the revenue was bolstered by the increased gold production from the sand retreatment opera-tion it was, at R250.6 million, 16 per cent lower

Working costs for the year included the nonworking cost of relocating mining operations to the better pay areas and the cost of retrenching certain employees who could not be re-employed on other mines in the Rand

The total interest payable for the year amounted to R51.5 million of which R17.1 million was charged to working costs, R13.0 million was capitalised in terms of the company's accounting policies and R21.4 million was subsidised by the Government.

The increase in the interest payable was attributable to total borrowings rising to R313.3 million and interest rates increasing from an average of 17.5 per cent to 19.6 per cent per annum during the year under review.

The issued share capital was increased when Rand Mines Limited and one of its whollyowned subsidiaries converted R70 million of debt into "B" class preference shares created by a special resolution passed in March 1989.

Capital expenditure for the year amounted to R33.0 million, a 69 per cent decrease, or R74.6 million less than in 1988. It was spent mainly

The report of the directors, to which members' attention is drawn, describes in detail the results of operations at the mine for the year ended 31 December 1989.

At the present gold price of about R30 000 per kilogram, a further rationalisation of the mine's underground operations is required if the company is to have any chance of returning to company is to have any chance of rearming to profitability. The lower grade and higher cost working areas will be closed and operations will be concentrated in the high grade sections located mainly in the eastern part of the mine. The mine has slowly been implementing this rationalisation plan over the past few months. Only the constraints, pending its approval, of an improved financial package, mentioned later, has prevented the full implementation of the plan. This retionals

increase its recovery grade, thereby reducing its cost of production to a level where a working profit is achieved. By assuming the approval of the new financial package and a steady rise in revenues each year from gold production and/or the price of the metal, there is a reasonable probability that the company can meet all its financial obligations in the

Although grades in the Par East section are below the average predicted in the sediment-ological and statistical exercise conducted some years ago, this deviation is within acceptable limits of predictability. The grades should improve to equate more closely with the average predicted for the areas as stopes advance through low grade patches or are temporarily stopped while the gold price

remains at low levels. Now that the "K" shaft longwall has been completely re-established on the east side of a major fault, the improved grades from this section should partially compensate for the lower grades presently being experienced in

the Far East area. As part of the latest plan the Far East Vertical shaft from surface will be equipped to handle men and material and the ice plant will be commissioned. There should be significant improvements to production and productivity arising from these actions.

The average recovery grade from sa ment is expected to be lower in 1990, due to the depletion of the higher grade Driefontein dump. Sand from the Cason dump is now

Totast rationalisation plan is critical to survival of the mine but it can only be fully implemented if certain functing proposals incorporating a new loan, the sale of certain assets and further relief on the crippling interest burden are adopted. The funding proposals which were compiled and recommended jointly by the Government's Inter-departmental Committee for State Assistance to Mining Industry, the company and its major creditors were submitted to the relevant Ministry for final approval.

However, before considering further assistance, the Government decided to appoint a Commission of Inquiry to investigate and report on the viability of the mine.

I regret that until the Commission has completed its examination of this new rationalisation plan it will not be possible to give shareholders any forecast as to how the company is likely to perform in the year

The company will give the Commission the highest level of co-operation and assistance but unless a favourable decision from Govern-ment on the latest funding proposals is received speedily, the mine may have to

Members should take particular note of this very grave situation which now confronts the C G Enobbe

The annual financial statements may be obtained from Hull Sammel Registrars Limited, 6 Greencoat Place, London, SW1P 1PL.

PRIVATE BANKERS

Banque Belge

Banque Belge Limited are pleased to announce that they have moved to new premises, and will continue to provide a full range of Private Banking and Trustee Services, both from London and Guernsey.

The new address, from 30th June 1990, is:

3, ST JAMES'S SQUARE, LONDON SW1Y 4JU

Telephone: 071-930 7000 Telefax: 071-930 4360 (General & Banking) 071-930 4361 (Marketing)

the contract of the contract of the contract of the contract of the contract of the contract of the contract of

BANQUE BÉLGE LIBETED LONDON, 15 A WENDER OF THE SECURITIES ASSOCIATION

Telex: 886604/886788

071-930 4362 (Investment & Securities)



UK COMPANY NEWS

Robertson accelerates 33% to £8m

natural resources and environ-mental consultancy combine, recorded a 33 per cent increase in pre-tax profits for the year ended March 31 1990.

A substantial increase from the core consultancy businesses and another significant contribution from mineral ven-

tures pushed the profit to 28.1m (£6.07m). Turnover came to £45,68m (£42.83m).

A divisional profit split showed petroleum £3.82m (£3.28m); environment £1.37m (£791,000); rural development £531,000 (£621,000); minerals and mapping £266,000 (loss £156,000). Mineral ventures

chased in February from Whit-

bread for £1.25m made "mini-

but the directors expect to rec-

ommend a distribution for the full year.

There is no interim dividend.

mal contributions".

accounted for £2.56m (£1.44m), while associates turned in £458,000 (£76,000) and interest received was £146,000

(£314,000). Dr Roy Bichan, chairman, said he saw the 1990s as a period when businesses operat-ing in the service sectors of energy and the environment

should have strong growth pro-

Earnings amounted to 15.69 (11.7p), including 4.1p (2.7p) attributable to mineral ventures. A recommended final dividend of 3.2p makes a 4.5p (3.8p) total. A one-for-two scrip issue is also proposed.

, ya: -

2000年 2

ks Crosby

aks trend

14.31m

GERRY Street in

Figure 111 - 1

The second secon

Print Burner Canal

a district the control of the contr

ಹಾಗೆ ಪ್ರದರ್ಭವಾಗ ಪ್ರಕರ್ಷ

等字:100 massive

20-10-4

<u>ತಪ್ತಾಯನಗಳ</u> :: ಹಿ.ಕಿ

नेष स्थापन (१००१ स्ट

MANCIAL TIMES

MID AEROSPACE AND

DIREYEAR 2000 AND SE

19430 August - Landon

The person and years the F

parente a mod and a

despirations Air o

hard to the second of the

GENERAL MINISTER OF THE PARTY.

The section of the se

क्षेत्रसं एक काजवंदाको १ वंहर

page acres of commercial

PRED EED WITH

With the revolution to the second

NEWS DIGEST

Ferromet at £1.4m after 9 months

FERROMET Group, formerly Clogau Gold, which has undergone major restructuring reported a pre-tax profit of £1.38m for the nine months to end-December compared with £1.71m for the year to March 31 1989, but that included non-recurring profits of £580,000 on sales of gold.

sales of gold.
Turnover in the nine months
rose to £67.2m against £22.7m
for the previous year. After tax
of £631,317 (£474,184) earnings
per share were left at 0.57p
(1.46p).

Again there is no dividend. but the company believed that the results would allow it to consider payment of dividends in respect of the current year.

Poor second half holds Vistec back

Vistec Group, the USM-quoted computer systems and supplies combine, did not have a satisfactory second half, and that restricted pre-tax profit growth to £399,000 for the year ended April 30 1990.

The profit came to £1.59m (£1.19m) and was generated from turnover of £36m (£11.96m). Gross profit topped £8m (£2.6m) but selling and administration charges rose by £4.8m.

Because of current trading conditions the directors are not recommending a final dividend. The year's payment is, therefore, held at 0.1p.

Wiltshire in profit and seeks new houses

The Wiltshire Brewery Company announced taxable profits of £10,744 for the six months to March 31 - its first interim profit since being bought out of receivership in 1985. Results of the brewery

which came to the USM in February - compared with losses of £37,031 in the corresponding period last time. Turnover amounted to

£396,739, a rise of 38 per cent,

1. To hear and accept

b) the report of the auditor

ended March 31st,1990

Any other business.

the following bank:

Luxembourg.

represented at the meeting.

general meeting of shareholders.

general meeting of shareholders.

KLEINWORT BENSON SELECT FUND, SICAY

Registered Office: Luxembourg, 14 rue Aidr

NOTICE OF THE ANNUAL GENERAL MEETING OF

SHAREHOLDERS

The Annual General Meeting of Shareholders of

KLEINWORT BENSON SELECT FUND, SICAV, WIII be

held at its registered office at Luxembourg, 14, rue

Aldringen, on July 10th, 1990 at 15.00 hours for the

purpose of considering and voting upon the following

2. To approve the statement of net assets and liabilities

March 31st, 1990 and to consider declaration of

and the statement of operations for the year ended

respect of their performance of duties during the year

The shareholders are advised that no quorum for the

statutory general meeting is required and that decisions will

be taken at the majority of the shares present or

In order to take part at the statutory meeting of July 10th,

1990, the owners of bearer shares will have to deposit their

shares five clear days before the meeting at the registered

office of the Fund, 14, rue Aldringen, Luxembourg, or with

- Banque Générale du Luxembourg S.A., 14, rue Aldringen,

The Board of Directors

a) the management report of the directors

3. To discharge the directors and the auditor with

4. To elect the directors to serve until the next annual

5. To elect the auditor to serve until the next annual

Commercial Register: Luxembourg Section 8 28.138

Robert Maxwell; the proposal reflected satisfactory profits

Central & Sheerwood more than doubles Both the engineering and prop-

erty divisions of Central & Sheerwood showed increases in 1989 to leave pre-tax profits more than doubled at £2,55m, against £1.08m. Mr Robert Maxwell, chairman, and his fellow directors are recommending a final dividend of 0.1p, the first payment since 1982. Mr Maxwell said that the

proposal reflected the satisfactory level of profits and the substantial recovery in the group's reserves.
For the present year AL Dunn had seen some deterioration in its production but Cov-

lent start. The property side expected attractive opportuni-ties to arise later in the year. Turnover was £49.87m (£36.28m). Earnings per share came out at 0.54p (0.28p).

oil and gas exploration group, plans a rights issue to raise some 1£37.4m (£34.6m) net of

The company proposes to

issue 97.92m new ordinary

the Alba and Gryphon fields.

entry Apex had made an excel

Rand London goes Aran Energy plans I£37.4m cash call into the red Aran Energy, the Dublin-based

Rand London Corporation, the mining investment and management company, incurred an operating loss of £1.53m in the year to March 81 compared with a previous profit of

After interest of £1.58m against £1.25m, the attributable loss was £3.11m, compared with a profit of £2.31m, or a loss per share of 2.27 cents (earnings of 1.77 cents).

There is again no dividend.

Overseas sales help Alba to £3.09m Pre-tax profits at Alba, the

audio video and consumer electronics group, amounted to £3.09m on sales of £78.08m in the nine months to March 31

1990. That compared with £4.08m and £73.77m respectively in the year ended June 30 1989. Earnings in the nine months came to 5.12p (7.42p for year). The final dividend is 1.75p for a total of 3.25p (4.35p year).

City Site Estates up despite slack market

In spite of deteriorating market conditions City Site Estates lifted rental income 51 per cent in the half year ended March 31. But pre-tax profit was only £78,000, compared to £1.52m. Rental income rose to £4.42m (£2.93m).

Earnings per share in the half year came to 0.79p (5.92p) diluted. The interim dividend is raised to 0.96p (0.8p).

Clyde Blowers Clyde Blowers, maker of soot blowing equipment, lifted pre-tax profit from £86,000 to £92,000 in the half year to Feb-

Profit rise for

ruary 28. Turnover moved up to £1.91m (£1.69m) and produced

operating profits of £6,000

(£7,000). Earnings were 6.9p (6.4p) and the interim dividend is again 0.83p.

Electric and Gen improvement

At May 31 net asset value of Electric and General Invest-ment was 137.1p at par and 138p at market value, compared with 127p and 127.1p respectively a year earlier. In the year to May 31 earnings rose from 2.09p to 3.09p. The proposed final is 1.5p and there is a special centenary payment of 0.5p, making Sp for

shares at 40p each on a three-for-five basis. The purpose of the issue is to fund its exploration programme, including its share of capital expenditure on **Electronic Data tops** £800.000 midway

the year against 2.05p.

Pre-tax profits at Electronic Data Processing soared from £373,000 to £822,000 in the half year to March 31. Sales advanced from £7.6m to

£8.33m Earnings worked through at 7.14p (3.41p) and the interim dividend is stepped up to 0.775 (0.70).

Walker & Staff profits dip

In spite of an increase from 27.06m to £8.06m in turnover, Walker & Staff, a valve and pipeline equipment distributor. saw pre-tax profits for the year to March 31 fall back from £436,251 to £389,173.

Earnings per 5p ordinary emerged at 11.1p (12.1p). The dividend is maintained at 3p.

Sandell held back by weak second quarter

weak second three months in its traditional business and a loss at Sandell Interlock left taxable profits at Sandell Group lower at £56,000, compared with £155,000, in the six months to March 31. Turnover rose 60 per cent from £1.44m to

£2.31m. However the USM-quoted office partitioning supplier said there were signs of an increase in demand and the situation at Interlock was improving Ramings per share were 1.9p (4.5p) and the interim dividend is maintained at 1.7p.

EAST RAND PROPRIETARY MINES, LIMITED RAND MINES Registration Number 01/00772/06 (Incorporated in the Republic of South Africa)

NOTICE OF ANNUAL GENERAL MEETING Nonce is bereby given that the musty-fourth annual general meeting of EAST RAND PROPRIETARY MONES, LIMITED will be held in the auchtorium, lower ground floor. The Corner House, 63 Fox Street, johannesburg, on Friday, 21 July 1990 at 10.30 for the following bramess:

 To receive and consider the audited annual financial systements for the year ended 31 December 1989. 2. To elect directors in place of those returng in accordance with the provisions

of the company's articles of associat 3. To place the unassued shares under the control of the directors. To consider and to pass, with or without modification, the following resolution terms of the provisions of the Companies Act, 1973, as amended, namely:

He a special resolution
Recolved that arucie No. 125 of the company's articles of association be amended by the substitution of the sum R500 000 000 (five hundred million rand) for the sum R400 000 000 (four hundred million rand) where it appears in

The effect of the special resolution is that the himit of the company's borrowing powers will be increased from R400 million to R300 million by the amendment of article 125 of the company's articles of association. The register of members of the company will be closed from 20 July to 27 July 1990, both days incheave. A member empired to attend and vote at the meeting may appoint one or more proces to attend, speak and vote in his stead. A proxy need not be a member of

For the convenience of members who are unable to attend the meeting but wish For me convenience of members who are unable to attend the meeting but wish to be represented thereat a proxy form will be sent to members on request to other the autisfor secretanes in jointmentury or to the registrant and transfer agents in the United Kingdom. The attention of members is drawn to the fact that, if it is to be effective, the completed proxy form must reach the company's transfer secretanes in johannesburg or in United Kingdom registrats and transfer agents at least jotty-eight hours (which period excludes Saturdays, Sundays and public holidays) before the time appointed for the holding of the meeting.

public housewij between he mee appointed for the notions of the meeting. Holders of share warrants to bearer who desire to attend or be represented at the meeting most produce their chare warrants or a ceruficate of their holding from a banker or other approved person at the bearer reception office or the United Kingdom registratic and transfer agents, or they must produce their shares warrants at the office of the Paris correspondents, in both cases at least five clear normal business days before the date appointed for the holding of the meeting, and shall otherwise comply with the "Conditions governing share warrants" currently in face.

Upon such production, a growy form or an attendance form will be assued under which such share warrant holder may be represented at or attend the monthing.

By order of the board Rand Mixes (Mixing & Services) Limited per E.L. Smath Registered Office 19th Floor The Cornet House

E3 Fox Str



£150,000,000



BRISTOL & WEST BUILDING SOCIETY Floating Rate Notes Due 1993

Interest Period

£5,000 Note due

£384.91 31st July 1990

COMMERZBANK OVERSEAS FINANCE N.V. 121/1% A\$ 75,000,000 Notes of 1985/1990

Repayment as per August 22, 1990 According to § 6 of the Terms and Conditions of the Issue all Notes will be redeemed at par on August 22, 1990. The Notes will be paid at-

The Notes shall cause to bear interest as per August 21, 1990. The coupon as per August 22, 1990 will be paid separately.

Curação, Netherlands Antilles, July 1990

29th January 1990 31st July 1990 Interest Amount per

Credit Suisse First Boston Limited Agent Bank

Commerzbank Aktiener

schaft, Franklun/Main Commerzoank Aktiengesellschaft, Praimuli inwalli (Principal Paying Agent) Commerzbank Aktiengesellschaft, London Brench Commerzbank Aktiengesellschaft, Brussels Branch Commerzbank International S.A., Luxembourg

Commerzbank Overseas Finance N. V.

West process and the court designation in European a MINOSITE CONTACT 45 September - London COMPANY SERVICE The second of the second secon By being seen not car in THE RESERVE THE PROPERTY. See proceed the second gen Emble Cell Me held of secure & come

The of DEAL R Marie Or Competent Se A Branch Street Street The content Ay to be depting toget MINION MANAGEMI Output Emply Sent Times springer Man on the internal and in

at to political courte owners are as ozoire. Maria decreased to the state of All Tare Berrent Edide David incaring And Servery of Servery Mills Williams William L Williams March Million Florid State Board, Sta

And The British Peter AN CORNER CORNER CORNER

The second secon

includes to the stable to the stable to

se for the Salah

Barners .

tric and Gen

the and Comments of the state o

in the same of the

tobosed c

and of the second

tronic Data b

3,000 midwar

Process of the State of the Maria of the State of the Sta

names a second of the second is successful.

iker & Staff

He of the state of

idell held bas ik second que

ITED

PERAL MIETY

ANTHALAGEN

W 2017年

and 25 1 1 2 2 2 and

2 - 2 5 4 5 - 12 E

النبي وي <mark>جهي</mark>ي The same of the same

France S

fits dip

Ovement

A BEG

FIRST National Finance Corporation, a company which straddles consumer credit and residential prop-erty development, made an extra provision of about £10m against bad and doubtful debts in its results for the half-year to end-April.

As a result, pre-tax profits fell from £35.08m to £29.12m. Fully diluted earnings per share were down to 12.8p (14.9p) and the interim divi-

dend stays static at 4.5p. The shares fell 11p to 210p

in response to the announcement yesterday.

Mr Tom Wrigley, chief executive, stressed that the provisions showed FNFC was taken a showed FNFC was take ing a "prudent approach" as high interest rates put a number of its customers under

The company, which survived the secondary banking crisis in the early 1970s, disclosed that about 70 per cent of the extra provisions arose from revaluations of proper-ties, chiefly residential, where loans secured on them had fallen into arrears; the bal-ance related to its own prop-erty development.

However, these results con-trasted with indications, given by FNFC when it reported full-year results in January, that it expected to see a further improvement in profits during the first six

Mr Richard Langdon, chairman, explained that the failure of UK interest rates to fall was the key to the disappoint-

ing performance.
"In January, we were expecting interest rates to fall in the early spring. Now we do not expect a fall for the rest of this year. We consequently do not anticipate an



Tom Wrigley, FNFC chief executive, announcing a prudent approach in view of interest rate worries

improvement in profitability during the second half," he

The dominant consumer credit division, chiefly engaged in lending for home improvements made pre-tax profits of £19.86m (£23.37m). New business volumes were down on the equivalent

period last year.

A policy of selling houses, albeit at depressed prices, led to a squeeze on margins at the property division, which made £2m (£6.67m). Mr Langdon said of the policy. "I'd rather have cash than bricks

and mortar at the moment." Higher volumes on the commercial lending side helped pre-tax profits of that division rise to £9.6m (£7.12m). It accounted for about £1m of the total extra provision.

Increased balances, together with reductions in the number of customers settling debts early, helped earning assets increase from £1.5m to £1.7m.

Mr Langdon said FNFC's business was going through a phase comparable with that experienced during the period of high interest rates in the early 1980s. But he dismissed any comparisons with the early 1970s, when it had to be bailed out by the Bank of England during the fringe banking crisis.

The difference was that the company was now matching maturities of its loans and borrowings, and property was a much smaller part of its

Turnover came to £5.1m

(£4.8m). Diluted earnings were

£900,000 write-down

Windsor, the insurance broker,

said it expected a £900,000 write-down in the value of its

investment in Commercial

Holdings, a subsidiary acquired in December 1989.

Mr Stan Taylor, chairman, said that Commercial Hold-

ings, of which Windsor owns 75

per cent, had a network of franchisees acting as brokers for mortgages and loans.

He had known Commercial

Holdings had certain problems,

which Windsor hoped to rem-edy, when it bought the com-

pany last year.

In the event, an internal inquiry by Windsor had concluded that there was small

possibility of a recovery in Commercial Holdings' trading

igation over the circumstances of its original investment.

pany. Norton had originally agreed

to sell the properties to Mr Simon Fussell, its former chair-

man, for more than £11m. Mr Fussell was chairman of Minty,

an Oxford furniture maker

an Oxford furniture maker which Norton reversed into last June to gain its full listing. He resigned as part of the deal which brought the two companies together.

Mr Fussell's company, Waterbay, did not complete a contract to buy three of the properties at the end of last year. Norton said it had been advised that because of the unfavourable state of the mar-

unfavourable state of the mar-

the year to April 30 on Thurs-

Property sale will

Windsor is contemplating lit-

Windsor expects

1.96p (8.03p).

NEWS DIGEST

Jas Crosby bucks trend with £4.31m

JAMES CROSBY Group, a housebuilder with its core activities in the north west, turned in record figures for the year ended March 31 1990. Mr Michael Burgess, chair-man, said he had considerable optimism for the future of the north in spite of the slowdown

in the housing market. Turnover rose 47 per cent, from £16,99m to £17.79m, while pre-tax profit increased 44 per cent to £4.31m, against £4.12m.

times by operating profit. Earnings for the year were 25.72p (24.27p) per share. The final dividend is 2.5p for a total of 3.75p (3.5p).

Profits tumble at de Morgan Group

Pre-tax profit of de Morgan Group, the specialist property investor and finance adviser, shreped to £414,000 in the 55 weeks ended April 30 1990, from the £2.38m of the previous

No final dividend is recommended, leaving the 1.375p interim as the only payment. Previously there was an interim of 1.25p and a final of

FINANCIAL TIMES CONFERENCES

WORLD AEROSPACE AND AIR TRANSPORT TO THE YEAR 2000 AND BEYOND

28, 29 & 30 August - London

Over the past several years the Financial Times has arranged a major conference immediately prior to the biennial Farnborough International Air Show. This year the meeting is supported by the Society of British Aerospace Companies.

The conference will focus on the massive growth in passenger and cargo traffic and assess the impact of this growth and the considerable demands it is imposing on all the existing facilities of commercial aviation. A special feature of the conference will be a day devoted to an assessment of the revolution taking place in aerospace research and developments and the continuing need for co-operating and collaboration in European aerospace.

WORLD MOBILE COMMUNICATIONS

24 & 25 September - London Mobile communication services today are in very front line of innovation in telecommunications. Mobile networks are increasingly being seen not only as a means of providing reliable communications to users on the move but also as a means of bypassing traditional fixed-link communications. In Eastern Europe cellular telephone systems could provide a rapid way of setting up a modern telecommunications

The increasing number of new mobile services and the growing potential for competition between them present operators, manufacturers and users with difficult choices. This third Financial Times conference will provide an opportunity for in-depth, high level discussion of the crucial

POLLUTION MANAGEMENT 2 & 3 October - Birmingham

This Financial Times conference will look at the commercial opportunities arising from growing internation-al interest in arresting and reversing present threats to the environment. It will focus on the industries which have made a major commitment to pollution control rather than on fashionable global problems such as ozone depletion and the 'greenhouse effect'. It will demonstrate that technology still has much to offer pollution management,

Speakers include: David Heathcoat - Amory MP, Parliamentary Under - Secretary of State, Department of the Environment; Dr Wilfred Beckerman, Fellow, Balliol College, Oxford: Dr William L Wilkinson CBE, FRS, Deputy Chief Executive, British Nuclear Fuels plc; Dr Hans Krämer, Chairman of the Executive Board, Steag AG; Basil R R Butler, Managing Director, The British Petroleum Company plc and Dr John Bowman CBE, Chief Executive, National Rivers Author-

All enquiries should be addressed to: Phancial Times Conference Organisation 126 Jermyn Street, London SW1Y 4UJ Tel: 071-925 2323 (24-hour answering service) Telex: 27347 FT CONF G Fax: 071-925 2125

Burmah move reflects importance of Castrol By Steven Butler

BURMAH OIL, the lubricants and chemicals group, yester-day reorganised its central office and announced plans to change its name to Burmah

The name change reflects the growing dominance of Cas-trol, its lubricant subsidiary, within Burmah. Last year it accounted for 67 per cent of the trading profit and the Cas-trol brand name is seen as Burmah's most important

The changes were introduced by Mr Lawrence Urquhart who this month assumes the post of chairman following the retirement of Mr John Maltby. Mr Urquhart has

been group chief executive.
"Recognising the dominance of Castrol within the

organisation we felt it should be given its place," he said. The management changes involve the merging of the previously separate head offices of the Burmah group and Castrol, which Burmal acquired 24 years ago. Much of the rest of Burmah's business has been shed in the interim while Castrol as accounted for most of the company's growth in recent

Under a unified central office, Burmah's business will have three divisions: lubricants, chemicals and fuels. Shipping and energy invest-ments are unaffected by the

changes.
Mr Jonathan Fry, Castrol chief executive, becomes group managing director looking after the day-to-day operations. Mr Brian Hardy, Castrol finance director, will become finance director for

the whole group. Mr Urquhart denied that the changes were in any way a defence against SHV, the private Dutch group, which holds a 9.14 per cent stake.

"With a company which is simplified and easier to understand, we are more rather than less susceptible to

predatory action," he said. He also said Burmah was under no pressure to sell its near-30 per cent stake in Pre-mier Consolidated Oilfields, the independent oil company. Premier shares were recently hit when Mr Malthy made remarks which some analysts interpreted to mean that Bur-mah would sell the shares in small parcels.

Mr Urquhart said an option had been under discussion in which Burmah might sell 20 per cent of Premier and retain a 10 per cent stake. However. while confirming that Burthe stake, he said Burmah would not deliver Premier into the hands of a predator and would wait for the right

AFI returns to its roots By Andrew Hill

reduce Norton's debt Amalgamated Financial Investments is returning to its 50-year-old roots as a minerals Norton Group, the motorcycle and engine manufacturer, has group, paying £3.6m in cash and shares for two North Wales collieries and just over half of Sacramento Resources, conditionally agreed to sell seven properties in north Lon-don for £4.9m. They are being bought by Frogmore Estates, the property development coma gold-mining company.
The investment company,

which was at the centre of a struggle for boardroom control last year, bought the other half of Sacramento for £2.4m in December.

None of the mines is yet producing minerals, although AFI expects coal extraction from the Welsh collieries to begin in early 1991, and production is expected to begin later this year at the Bolivian gold-mine which is Sacramento's principal asset.

AFI, which began life in

1939 as Amalgamated Tin Mines of Nigeria (Holdings), is to issue 12.8m new shares to

to issue 12.8m new shares to the vendors of the minerals interests, putting a value of 15p on each share compared with a suspension price of 6p. The group will also sell most of its existing investments at a loss of £1.7m. If it gains share-holder approval for the pur-chases, AFI will apply to be listed as a mining company unfavourable state of the market, the properties were unlikely to fetch more than the amount offered by Frogmore within a reasonable time.

Mr Philippe Le Roux, Norton chairman, said the proceeds of the sale would be used to reduce group horrowings. Norton will publish its results for the year to April 30 on Thurslisted as a mining company and the shares will emerge from suspension.

MONTHLY AVERAGES OF STOCK INDICES

ومين	May	April	March
			77.06
	1		88.66
			1772.0
	217.4	244.6	283.0
27,123	25,179	24,461	26,302
		{	
1190.89	· 1109.75	1091.63	1117.98
1285.08	1204.85	1188.16	1219.10
811.02	771.13	781.48	794.04
1170.73	1100.35	1087.87	1115.82
2377.0	2230.6	2191,3	2248.5
-June	High	June	LOW
1933.2	(13th)	1877.9	(11th)
1183.4	1(13th)	1158.15	5(1115)
		2348.8	
	79.47 88.03 1905.0 181.3 27,123 1190.69 1285.08 811.02 1170.73 2377.0	78.47 77.25 88.08 86.28 1905.0 1757.4 217.4 27,123 25,179 1190.69 1108.75 1285.08 1204.65 811.02 771.13 1170.73 1100.35	79.47 77.25 76.00 88.03 86.28 85.51 1905.0 1757.4 1719.0 181.3 217.4 244.6 27,123 25,179 24,461 1190.69 1109.75 1091.83 1285.06 1204.85 1188.16 811.02 771.13 781.48 1170.73 1100.35 1087.87 2377.0 2230.8 2191.3 June High June 1933.2 (13th) 1677.9 1183.41(13th) 1158.16

This announcement appears as a matter of record only

South West Water

(Lessee)

£150,000,000

Finance Leasing Facility for Water and Sewage Equipment

provided by a subsidiary of

BARCLAYS MERCANTILE

Business Finance



(Lessor)

The undersigned acted as advisor to South West Water on this transaction

BABCOCK & BROWN

July 1990

This announcement appears as a matter of record only. Admin to the account of the second



Eni International Bank Limited

U.S. \$400,000,000

Euro-Commercial Paper and Certificate of Deposit Programme

Unconditionally and Irrevocably Guaranteed by

Eni International Holding B.V.

Moody's Investors Service, Inc. P-1 Standard & Poor's Corporation A-1+

Dealers

Chase Investment Bank Citicorp Investment Bank Limited Eni International Bank Limited Goldman Sachs International Corp. Shearson Lehman Hutton International, Inc. Swiss Bank Corporation

COMMODITIES AND AGRICULTURE

Norway orders oilfield workers to end stoppage

By Karen Fossii in Osio

Government stepped in yester-day to end a strike over wages that had brought the country's oil industry almost to a halt at the weekend.

Production from 23 offshore oil and gas platforms could be back in full swing by mid-week following forced arbitration by the centre-right Government that ordered 4,000 workers to

end their stoppage. However, leaders of the striking workers were due to meet last night to decide on their response to the Government's

Norway, western Europe's second biggest crude oil producer, after Britain, and its third biggest gas producer, pumps about 1.7m barrels of oil a day and just over 2bn cu m of gas a month. By yesterday, however, crude oil production had shrunk to 22,000 b/d from the Petrojarl floating produc tion ship where workers were not involved in the strike. At London's International Petro leum Exchange Brent crude futures for August delivery opened 69 cents higher at \$16.83 a barrel but fell by 53 cents on news of the Norwe-

an move. On the spot market August Brent closed off 421/2 Mr Johan J. Jakobsen, the Local Government and Labour

Minister, who is currently act-

ing prime minister while Mr

Jan P. Syse, the Conservative Prime Minister is on holiday, called the strike a national crisis and convened an emergency cabinet meeting which invoked a special law — called provisorisk anordning — which is used only when the Storting (Norway's parliament) is not in session, to rule the

"The Government has put major emphasis on the fact that the conflict seems to be very locked," Mr Jakobsen said. At the weekend there were at least 12 points of disagreement between the two

Norway stood to lose some NKr200m (£18m) in export earnings and up to NKr170m in budget revenues for every day the strike lasted. Oil products account for about a quarter of the country's gross domestic

When a country over a long period loses one quarter of (its) income then there is no doubt that such a situation would rel-

atively soon influence vital parts of the country," Mr OFS, the oil workers' union. had earlier warned that the strike could be the longest ever if its demands for a 4.25 per cent pay rise, the right to free

Employers had offered a pay capacity for two we deal which was in line with a be built by Norway.

wage talks and improved con-

ditions were not met.

nation-wide 4 per cent agree-ment reached earlier this spring between LO, Norway's biggest trade union, and NHO. the Confederation of Business and industry.

Norway's Government has intervened in five previous strikes affecting petroleum pro-duction; the last time in 1986 to end a 19-day strike in which the country lost some NKr2bn

Besides adversely affecting Norway's oil-dependent economy, a strike interfering with petroleum production also undermines the country's ability to fulfil contracts to export natural gas to a number of

European buyers, including Norway is currently holding negotiations with several countries to supply gas. "The Government has also put emphasis that Norway is in the middle of important gas negotiations and that Norway's image and how Norway is perceived as a reliable gas supplier in the future is also part of our consider-

Previous supply disruptions rompted West German buyers prompted West German buyers that had signed on for gas from the giant Troll and Sleipner fields, to demand as part of their contract that underground storage facilities with ecity for two weeks supply

ations,

Mr Jakobsen

Venezuela 'to stay in Opec'

By Joseph Mann in Caracas

PRESIDENT CARLOS Andres Perez of Venezuela's has firmly rejected suggestions that his Government was planning to quit the Organisation of Petroleum Exporting Countries, or that PDVSA, the national oil company, was exceeding its Opec production quota of 1.945m barrels per day. Speaking in Caracas at the weekend, Mr Perez — a staunch defender of third

world initiatives - reiterated his support for the organisation, stating: "At no time has there been any intention to alter our policy of remaining in Opec." He added: "We are fighting to obtain full discipline" among Opec members on production quotas, and thus "we can hardly be viewed as supporting any lack of compli-

The president's comments came in response to a weekly opinion column carried by a Caracas daily, El Nacional, which said that top executives disagreed with the Government's oil policy and wanted Venezuela to leave Opec. The column stated that Venezuela's interests had been harmed over the years since other

members of Opec regularly vio-lated production quotas. It also said that Venezuela was currently exceeding its own quota. Government figures for the first three months of 1990 put Venezuela's crude oil output at 1.945m b/d, not including production of condensates and natural gas liquids. Oilmen here say privately that the country's monthly production may vary more than official figures indicate, but that Venezuela is in fact conscientious

The newspaper column caused an uproar in the Gov-ernment - which sets policy guidelines for the national oil company - in PDVSA and in the Venezuelan press. In fact, some executives at

about remaining within Opec

PDVSA feel that Venezuela would be far better off if it left more oil and take greater advantage of market opportunities. However, PDVSA's manby Ministry of Energy and Mines, including areas such as production quotas, even though they may disagree with

The debate over Venezuela's

presence in Opec, of which it was a founder-member, clearly reflects bitterness among PDVSA managers over the constant cheating by other mem-bers of the organisation, and over the fact that Venezuela's relative share of production quotas has declined over the

But while it actively supports Opec, the Perez Government is working to reverse Venezuela's declining role within the organisation by boosting proved reserves of crude oil and raising crude production and refining capacity. With proven oil reserves of over 59hn barrels, Venezuela

already has the largest reserves in the western hemihere. It is investing to raise this figure to 70bn barrels by 1995. Moreover, these reserve figures do not include the country's huge deposits of heavy oil and bitumen, which are the largest in the world. The Government also plans

to raise crude output potential from the current 2.753m b/d to over 3.5m b/d by mid-decade further increasing Venezuela's weight within Opec at a time when reserves of some other members are falling.

Mexico gives mining reforms high priority

Richard Johns on plans to privatise most of the country's minerals sector

ment is preparing legis-lation to increase the participation of private and for-sign capital in the development of the country's mineral reserves – the life-blood of its economy until very recent his-

torical times. Belatedly introducing the 1990-94 plan for the industry Mr Ernesto Zedillo Ponce de Leon, Minister of Planning and the Budget, said that "privatisation and reclassification of the mineral reserves constitute an urgent task."

At the same time Mr Fernando Hiriart Balderrama, Minister of Energy, Mines and State Industries last month also held out the prospect of an easing of the tax regime and a relaxation of "excessive regulation" which, he acknowle had adversely affected the Mexican mining industry's international competitiven

The programme also aims at the release for prospecting by the private sector of at least half the state-owned national mineral reserves totalling rather more than 5m hectares regarded as holding promise of

The Government announced at the end of April that 600,000 hectares would be made available this year and it has said again that it will tighten up on concession commitments - too much of the land leased has

been left untouched by speculators including big mining companies, officials say.

Oil and uranium — classified as "strategic" — will definitely not be affected by any amendment to the Minerals Law of 1975, which defines two other categories as far as foreign categories as far as foreign investment is concerned.
Under existing legislation

foreign participation is limited to a maximum of 34 per cent for "priority minerals" — coal, iron, rock phosphate, sulphur and potash. For ventures involving exploitation of other minerals - ferrous and non-ferrous - shareholdings are

limited to 49 per cent.

Apart from the "priority minerals", in its privatisation programme the Government has virtually completed its disposal of mining properties. Now that the bid from a group led by Ingenerios Civiles Asso-ciados and entrepreneur Mr Bernardo Quintana Jr, with a knock-down offer of \$468m (including a 50 per cent debt-equity swap element), for Compania Minera de Cananea seems almost certain to be accepted by the Government, the only major state-owned mineral property to be dis-posed of is Minera Autlan, the manganese mining enterprise in the state of Hidalgo which Japanese concerns are said to have an eagle-eye upon".

There is also speculation about the future ownership of Exportadora de Sal, believed to be the world's biggest salt pro-ducer, which is 51 per cent owned by the state Mexican Mining Development Commis-

Mining Development Commission and 49 per cent by the Mitsubish Corporation.

No indication is given in the plan published last mouth of what kind of fiscal incentives might be given to the industry. However, the present Administration — with special preference to silver and gold — has already cut the production tax, or novalty previously set at 7 or royalty previously set at 7 per cent of profits, and announced that it will be phased out altogether over the

that they bear a large burden of infrastructure and social costs – including schools and medical care – where they MEXICAN MINERAL PRODUCTION

2 per cent on fixed assets. But

ining companies complain

Silver 2,308 fron ore

operate in remote areas. The industry recognises that one positive aspect of the somewhat vague programme is the commitment to draw up a national inventory of known mineral resources incorporat ing the known results of past

exico's mining development plan aims at a growth of 2.2 to 2.6 per cent in 1990-91 increasing to 4.5 to 5 per cent in the 1992-94 period. The targets are strictly indicative, however, with declining state involvement and investment in the

Earlier this year a total investment in the sector of US\$2.1bn in the 1990-94 period was projected in a mining investment programme submitted to the Government by Mr Jaime Lomelin, president of Mexico's Chamber of Mines

ing companies will pay 36 per and director-general of Indus-cent corporation tax as well as trias Penoles.
Mr Lomeiin had previously

said that the figure was based on confidential information submitted to the chamber by the country's 30 largest mining companies. He said that the industry was greatly reassured by the positive attitude of the Government — to an economic sector hitherto generally regarded, like the state-owned petroleum industry as a milk-

Only about 8.5 per cent of projective investment was expected to be spent by the state to provide raw materials for its steel holding company Sidermex for raw materials required by its subsidiaries Altos Hornos and Siderugica Lazaro Cardenas-Las Truchas which subsequently and somewhat problematically have been put up for sale to the private sector and foreign

Before that announcement Mr Lomelin said that the \$2.1bn capital commitment envisaged would be double the amount spent in the previous five years. Penoles claims to be the

world's largest single corporate silver producer – with an out-put of 1,478,071 kg (47.5m troy onnes) in the group's last financial year, ending Novem-ber 30 – and the higgest in Mexico in mineral sales ahead of the more diversified Grupo Industrial Minera Mexico, sas Frisco, and Corporacion Industrial San Luis. Together the Mexican "big four" account for about 80 per cent of the country's mineral

Mexico's national programme for the industry, typical of the vapid waffle still

characteristic in an essentially one-party corporate state, albeit one now motivated by the slogan "modernisation", pays lip-service to the financing problems - enormous interest rates for those who can only borrow in pesos - of

small and medium-sized explorers and producers.

Nevertheless, it shows a genuine regard for a sector without which, arguably, the United States of Mexico would never have come into being never have come into being given the Spanish Conquista-dores' greed for gold and silver. They had, of course, no notion of the potential value of stron-tium and fluorite, of which Mexico happens to be the world's leading producer.
Yet the giants of the industry like Penoles seem greatly reassured by the approach of President Carlos Salinas de Gortari's Administration

prise

المنشدة المنتران

THE ALL THE

Francisco.

EE 25.

TERMINET IN A

ತಥದ ಚಿನ್ನೆ

in Britan Dev

ತಿರದ ಕಟ್ಟಿದ (4)

STIME IN ALL

CONTRACT (f.)

An estate of each

For a late Carlot

:ಮಾರ್ ಚಮ್ ಚನ್ನಡ

異型 ガールカフィン

THE REAL PROPERTY.

建生型

in a second

ಕ್ಷಿಮ ಕ್ಷಮ್
Blancing :

(単位 図 古)

in the second

EN CHI : THE Marie Company

3 Mary 1927

The state of the s

the state of

The second second

Age of the con-

delegation of the second

dior posts

4 ke 323 مذكري

سند محمد ميان

क त्रिक्त

emotive business.
After all, historians are agreed that it was the decision in 1906 by Mr William C. Green, the then "Gringo" owner of the Cananea copper mine, to call in the Arizona Rangers to suppress a strike that was a major cause of the subsequent revolution. That, in turn, was also a major expression of resentment against for-

towards revitalising - what-ever the vagaries of interna-

tional prices - a historically

eign investment. So the vagueness of a document on a still sensitive issue is understandable and also the delay in its presentation — the last sectoral programme to be produced by the Salinas regime apart for the one for the agricommitment to help salvage the economy on the minerals

Reports lift US soya prices

SOYABEAN FUTURES prices

at the Chicago Board of Trade have shot up following two reports that painted an adverse picture for the crop. Soyabean prices rose 16% cents for the current July contract at the end of last week and in mid-morning trading yesterday they had gained another 14 The US Department of Agri-

culture said last week that fewer acres than expected had been planted with soyabeans. Analysts had been estimating that 59,6m acres were planted, but the department put the the figure at 58m acres. Heavy rains during the last few months have impeded plant-

the driving force in the mar-ket. A severe heat wave that last week hit the American south-west, hurting cotton crops there, is expected to move into the mid-west this

WORLD COMMODITIES PRICES

week and next. Mr Richard Feltes, director research in Chicago for Refco, the world's largest futures commission merchant, said that in addition to fewer acres being planted there was now a threat of significantly lower soyabean yields because of the heat. "It's an adverse situation." he said and added that the next two weeks would be critical for the market out-

The market is reacting strongly in part because, before the USDA acreage report, the conventional wisdom held that farmers would substitute soyabeans for maize, the most important US crop. The substitution was expected because steady rains had delayed all plantings, but soyabeans can be put in later in the season than maize, Instead, farmers planted more maize than expected. The department calculated that with maize, compared with an average of analysts estimates of 73.9m acres. None the less maize futures are also rising on reports of severe heat. In mid-morning trading on Mon-day, the price of the prompt contract had risen more than 3 cents to reach a high of \$3. Grain analysts believe that unfavourable weather could

74.5m acres had been planted

mean a significant revision of the agriculture department's crop figures later in the sum-mer. The department based its estimates last week on a survey undertaken between June 1 and June 15. -

(Prices supplied by Amalgamated Metal Trading)

High/Low AM Official Kerb close Open Inte

 Romania may export wheat and maize this year if expectations of a good harvest ar fulfilled, according to Mr Theodor Stolojan, the Finance Minister, reports Reuters from Bucharest. "According to my information, it will be a very good grain harvest," he said, "better than last year."

Oversupply keeps Baltic Freight Index in retreat By David Blackwell

Chicago

THE BALTIC Freight Index

(BFI), indicator for dry cargo freight futures, continued the precipitate retreat of the past four months yesterday. Yesterday the index shed a further 7 points to 1,082, and freight futures on the Baltic Futures Exchange closed below 1,000 for the July and August contracts. The index was started at 1,000 in January 1985; at the beginning of March this year it was above 1,600.

The futures market has been hit on both the supply and demand fronts. The normal spring rally failed to material-ise as the Soviet Union (which has suffered foreign exchange problems), China and India were not moving as much grain as had been expected. Steel production has declined in Western Europe and the US and is stagnant in Japan resulting in falling demand for

CRUDE CR. (Light) 42,000 US gails Mourrel

awash with cheap oil. At the same time, according to Mr Matthew Frank of brokers GNI, Panamax ships (capable of carrying 52,000 tonnes of grain) will continue to come out of the shipyards at the rate of one a week for the rest of the year. Mr Philippe van den Abeele, of brokers Clarkson Wolff, said yesterday that since January the bulk and one carrier fleet's capacity had increased by 3.5m tonnes.

Mr Frank believes the market will bottom out when the index reaches 1,000; Mr van den Abeele believes the index will fall this year to between 800 and 850. "There are too many ships, and if the Soviets have a good harvest there might not be enough busines to absorb this year's excess

iron ore. Coal is proving diffi-cult to sell while the world is

MARKET REPORT COPPER prices shed some of

Friday's sharp advance on the LME yesterday in spite of weekend news of strike action at Asarco's Ray mine. However, the market mains cautious against a background of possible disruption warehouse stocks. Zinc prices were also lower, although a strike sends zinc concentrates to Europe, gave early stability. News that making progress and had continued through the end of a contract expiry may have aided the downturn. Lead prices were also easier. On the London bullion

London Markets SPOT MARKETS

Citate on the parter (co)		+ 01 -
Dubei Brent Bland W.T.L (1 pm est)	\$13.65-3.60w \$15.85-5.90w \$16.82-6.54w	-/425
Oil products (HWE prompt delivery per to	onne CIF)	+ or-
Premium Gascilne Gas Oil Heavy Fuel Oil Heavy Fuel Oil Petroloum Argus Estimates	\$62-64 \$143-145	+7 -1
Other		+ or -
Gold (per troy oz) Silver (per troy oz) Pletinum (per troy oz) Palledium (per troy oz)	\$367.5 485c \$487.4 \$116.8	+4.75 +11 +4.5 +2.55
Aluminium (free market) Copper (US Producer) Lead (US Producer) Nickel (free market) Tin (fusia Lumpur market)	\$1530 119c 48o 400c 16.33r	-20 +5.5 +8 -5
Tin (New York) Zino (US Prime Western)	282c 87.5c	+3
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	106.02p 154,82p 97.03p	+1.58* +8.72* -6.56*
London daily sugar (raw) London daily sugar (white) Tate and Lyle export price		+3.5 +1.0 -1.5
Bartey (English feed) Maize (US No. 3 yellow) Wheat (US Derk Northern)	£109 £168 £120	
Rubber (Aug) ♥ Rubber (Sep) ♥ Rubber (KL RSS No 1 Jul)	53.75p 54.25p 233.0m	-0.76 -0.75 -1.0
Coconut oil (Philippines)8 Paim Oil (Melsysian)5 Copra (Philippines)6	\$320t \$295 \$217.5q	+2.5
Soyabeans (US) Cotton "A" Index Wooltops (64s Super)	£1591 91,15c 480p	+1.5 +0.10
£ a tonna unless otherwise	stated. p-pe	nce/kg.

a week ago. TLondon physical market. fCiF Rotterdam. 🌩 Buillon market close, m-kla-

market gold was marked up early, influenced by New York's firmness on Friday, but no significant follow-through emerged, Robu lows to close little chanced from Friday. Dealers noted with some talks later this month at the International Coffee Organisation

- a move which seemed in stark contrast to the country's previously hostile stance towards an economic pact. London cocoa prices were spurred higher by New York, where prices had

			ices had	•		
penetrated resistance levels by						
	midsession. Complied from Reuters					
SUGAL	R - Load	on FQX	(S per tonn	<u>a)</u>		
Flaw	Close	Previous	High/Law	_		
Aug	297.00	287.00	299,00 268.00			
Oct Dec	295.00 296.00	284.40 280.00	297,00 285.20 283.00 283.00			
Mar	281.00	273.00	281.00 274.00			
May	281.00	268.00	277.20 274.00			
Oct	276.00	271.00	276.00 270.00	_		
White	Close	Previous	High/Low	_		
Aug	400.0	391,6	399.5 391.2	_		
Oct Dec	371.0 365.0	362.5 \$58.5	371.0 363.0 365.0 358.0			
Mar	360.0	350.0	360.0 353.0			
May	357.5	346.3	355.5 352.0			
Aug Oct	357.5 346.0	347.5 337.0	354.0 351.5 345.0 340.0			
	4r. Raw 4 1866 (1806		its of 60 tennes.			
Paris-	White (FFr	per tonne):	Aug 2205, Oct 200	50		
Dec 20	35, Mar 2	20, May 2	715			
CRUDI	t OEL - 8	P4	\$/barr	≅		
	Late			_		
Aug	15.86		18.83 15.80	_		
Sep	16.23	16.53	17.10 16.15			
Oct	16.5		16.60 16.55			
Nov IPE Inc	16.80 4ex 18.24		16.80			
	er: 4445 (1			-		
	B 194	1900)	****	_		
		Danida	\$/tone	-		
 _	Latest	Previous	High/Low	_		
ایل مدد	144.75 145.25	145.50 146.50	149.25 144.75			
Aug . Sep	146.75	147.75	150.00 145.00 151.00 146.75			
Oct	150.00	152.00	152.00 160.00			
Nov Dec	152.75 154.00	154.00 156.00	154.50 152.75 156.50 154.00			
Jan	165.00	156.50	155.00 154.25			
Turnov		485)lots of		-		
et thi offsh Asso derns strons with supp There and ; 290p	Turnover 7408 (7485)lots of 100 tonnes					
				1		

COCOA - London FOX High/Low 776 749 802 774 829 803 651 827 910 888 Turnover: 6157 (6161) lots of 10 tonnes (GCO indicator prices (5DRs per tonne). Delly price for Jun 29 986.84 (983.74) 10 day evenage for Jul 2 994.70 (996.34) 538 531 565 566 586 580 539 565 586 606 623 342 658 607 600 624 619 641 840 682 681 over: 5514 (6842) lots of 5 tonnes hidicator prices (US cents per pound) to e 29: Comp. delly 85.41 (67.19). 16 dey aver POTATOES - EPE Close Previous High/Low SOYABBAK MEAL — 2FE 119.00 116.00 119.00 118.00 Turnover 70 (60) lots of 20 tonnes. HT FUTURES - RFE \$10/Index point vious High/Low 1085 1110 1225 1088

Theat .	Close	Previous	High/Low
Sep	112.05	112.25	112.05
Nov	116.25	116.35	116.25 116,00
Jen	120.25	120.45	
Barley	Cicee	Previous	High/Low
Sep	110.50	110.75	110.50
Nov	114.95	115.10	114.90
lan -	118.30		118.30
Mar	121.50	121.70	121.50
Mas -	SPE.	(Cc	ash Settlement) p/kg
MOS -	EFE.		ash Settlement) p/kg High/Low
	Close		
Aug	Close 118.0	Previous	High/Low
Aug	718.0 115.0	Previous 121.9	High/Low 121.0 118.0 116.0
Aug	Close 118.0	Previous	High/Low 121.0 118.0
Aug Sep Oct Nov	Close 118.0 115.0 116.0 113.5	Previous 121.9	High/Low 121.9 118.0 118.0 118.0 115.0 114.0 113.0

3 months	1556-7			1572/1551		54-5	1854-5		
	ade A (C per b	1579-8 onne)					Total dail	45,9 y turnover	20,700 100
esh	1497-8	1533-5		1600/1499		00-1			
months	1485-8	1497-		1476/1461	14	68-9	1461-3		78 lots
ed (£ pe		522-4					Total de	lly turnova	1 2,233 lot
1856 (1900)	516-8 513-4	522-4 517-6		518 518/512		7-8 3-4	511-2	10,3	48 lots
ichel (S po	er tonne)						Total de	ly turnove	2,182 lot
esh	8690-610	8700-4 8725-5	0	8600/8590		90-900			
months.	8625-30	8/25-8	0	8700/8575	- 50	00-1	8800-25	B,41	4 (dig
o (S per t mit	6020-30	5950-8		5990/5965	A60	80-5	704	ny Entitote	1,113 100
months	6145-50	6080-1	<u>~</u>	6160/6080		05-10	6165-70	4,96	2 lots *
	et High Grade						Total del	ly turnove	4,007 tota
ash montha	1715-7 1830-3	1755-7 1655-6		1720/1705 1680/1625		00-6 25-7	1835-40	18.8	64 lota
	ng SJS rate:			-					
POT: 1.76		3 mont	hs: 1.72	293	6 m	enths: 1.7	7043	9 mar	tha: 1.683
	BULLION MA	KK			Ne	w Y	ork		
	z) \$ price		equiva		<u> </u>	100 ****	oz.; S/troy o	7.	
lose pening	357 ¼-357¾ 357-357 ½	2	24-20 35-20	13 l4		Close	Previous	High/Low	
orning fib	357.10	20	13.244	-	Jul	358.8	357.9	358.7	368.G
iternoon i ay'a high	1x 357.40 358-358 ¹ 2	2	33.126		Aug	360.8	369,9	361.3	359,5
ay's low	3564-3583	•			Sep	392.9 365.1	362.0 364.1	362.5 365.0	362.3 363.6
okas	S price		equiva	dent	Dec	369.5	368.5	370.0	367,8
LoieleeJ	385-370		77-210		Feb Apr	374.0 378.3	373.0 377.4	374.5 378.0	373.2 377.5
tennis Esgle	365-370 365-370	20	77-210 77-210		Jun	382.9 387.4	362.0 366.5	383.6 0	382.5 0
Gej Certhe	365-370	20	7-210		Aug	301.4	00.20	•	•
rugerrand									
Laure Cons			3-205						
lid Sov.	83-85 83-85	4	7-48½ 7-48½		SLAT	MIRE SO	roy or Sim		
d Sov.	83-85	4	7-481-2	84,95	PLAT		roy oz; \$/tro		<u> </u>
Sov. ble Plat	83-85 83-85	49 05 20	7-48½ 7-48½		PLAT	Close	Previous 486,1	ny cz. High/Low 487.0	485.0
id Sov. oble Plat liver fiz	83-85 83-85 493.25-501. p/fine oz 279.25	06 20 U	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6		Jul Aug	Close 485.3 489.7	Previous 486.1 0	High/Low 487.0 494.5	455.0 494.5
d Sov. Note Plat iver tiz norths, months	83-85 53-85 463.25-501. p/8no cz 279.25 289.55 300.10	45 05 20 05 46 50	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6		3 24	Close 495.3 489.7 494.5 600.2	Previous 485.1 0 493.9 499.6	High/Low 487.0 494.5 498.6 502.0	485.0
id Sov. oble Plat liver fix norths, months	83-85 83-85 463.25-501. p/9no cz 279.25 289.55	45 05 20 05 20 50 50 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 10.75 10.85		Jul Aug Oct	Close 485.3 489.7 494.5	Previous 485.1 0 483.9 499.6 504.7	High/Low 487.0 494.5 496.5	405.0 494.5 493.6
id Sov. loble Plat Ever fix pot months, months	83-85 83-85 463.25-501. p/8no cz 279.25 289.55 300.10	45 05 20 05 20 50 50 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 90.75 90.85		Jul Aug Oct Jan Apr	Close 485.3 489.7 494.5 500.2 505.3	Previous 485.1 0 493.9 499.6	High/Low 487.0 494.5 498.6 502.0	495.0 494.5 493.6 501.0
oid Sov. toble Plat Siver fix pot months, months	83-85 83-85 463.25-501. p/8no cz 279.25 289.55 300.10	45 05 20 05 20 50 50 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 90.75 90.85		Jul Aug Oct Jan Apr	Close 485.3 489.7 494.5 500.2 505.3	Previous 485.1 0 483.9 499.6 504.7	High/Low 487.0 494.5 498.6 502.0	495.0 494.5 493.6 501.0
old Sov. loble Plat Wer fix pot months months	83-85 83-85 443.25-801, p/fine ez 279.25 289.55 300.10 320.00	45 05 20 05 20 50 50 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 90.75 90.85		Jul Aug Oct Jan Apr Jul	Close 485.3 489.7 494.5 600.2 605.3 510.7	Previous 485.1 0 483.9 499.6 504.7	High/Low 487.0 484.5 495.5 502.0 508.0 0	495.0 494.5 493.6 501.0
id Sov. oble Plat liver fix pot months, months 2 months	83-85 83-85 443,25-801,1 p/fino cz 279-26 269.55 300.10 320.00	45 05 20 05 20 50 50 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6 10.75 10.85 11.40 32.80		Jul Aug Oct Jan Apr Jul	Close 485.3 489.7 494.5 600.2 605.3 510.7	Previous 486.1 0 493.9 499.6 504.7 510.1	High/Low 487.0 484.5 495.5 502.0 508.0 0	494.5 494.5 493.6 501.0 0
id Sov. oble Plet liver fix norths, months months months	83-85 83-85 443,25-801,1 p/fino cz 279-26 269.55 300.10 320.00	46 46 55 55 55	7-48 ¹ 2 7-48 ¹ 2 90.50-2 90.75 10.85 11.40 12.80	equiv	Jul Aug Oct Jun Apr Jul	Close 495.3 489.7 494.5 500.2 505.3 510.7 R 5,000 to	Previous 486.1 0 483.9 499.6 504.7 510.1 -	High/Low 487.0 494.5 495.5 502.0 508.0 0 /troy oz. High/Low 497.5	495.0 494.5 493.6 501.0 0
id Sov. oble Plet iver tiz oot months months months months months	83-85 83-85 449,25-601,1 prine oz 279,25 289,55 300,10 320,00	46 46 50 50 50 50	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6 10.75 10.85 11.40 32.80	equiv .	Jul Aug Oct Jan Apr Jul	Close 485.3 489.7 494.5 500.2 505.2 510.7 R 5,000 tr Crose 487.1 501.0	Previous 486.1 0 483.9 499.6 504.7 510.1	High/Low 487.0 484.5 498.5 502.0 508.0 0 Aftroy GZ_ High/Low 497.5 0 508.5	455.0 494.5 493.8 501.0 0 0 468.0 465.5
d Sav. sble Plet iver fix or months m	83-85 83-85 83-85 8483.25-801.1 p/fino oz 279.26 289.55 300.10 320.00	46 46 46 50 50 51 51 51 51 51	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6 10.75 10.85 11.40 12.80	Puls Sep 7 37	Jul Aug Oct Jen Apr Jul Aug Sep Ooc	Close 485.3 489.7 494.5 500.2 605.3 510.7 R 5,000 tr Crose 483.5 497.1 501.2	Previous 485.1 0 489.9 499.6 504.7 510.1 - 10 07 02; pents Previous 486.7 462.3 496.3 507.3	High/Low 487.0 484.5 496.5 602.0 508.0 0 Mitroy az. High/Low 497.5 0 508.5 518.0	455.0 494.5 493.6 501.0 0 0 489.0 489.5 507.5
d Sov. oble Plet liver fix norths months months months months months months fix policity fix	83-85 83-85 493.25-601,1 p/fine cz 279.25 289.55 300.10 320.00	46 20 05 200	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6 10.75 10.85 11.40 12.80	Sep 7 103	Jul Aug Oct Jan Apr Jul Salve Sep Oct Jan Mar	Ciose 485.3 489.7 494.5 500.2 505.3 510.7 R 5,000 tr Ciose 483.5 497.1 501.9 512.3 616.5 523.1	Previous 486.1 0 488.9 488.6 504.7 510.1 - Previous Previous 488.7 488.3 510.4 517.8	High/Low 487.0 494.5 494.5 496.5 802.0 508.0 0 497.5 0 497.5 0 508.5 518.0 0	488.0 0 484.5 483.6 501.0 0 0 488.0 0 485.5 507.5 0
id Sov. loble Plat Bren fix pot months months 2 months 2 months 2 months benisless brike price 450 650 660 660 660 660 660 660 660 660 6	83-85 83-85 493.25-601,1 p/fine cz 279.25 289.55 300.10 320.00	46 46 50 50 51 51 51 10	7-48 ¹ 2 7-48 ¹ 2 90.50-2 S cts 6 10.75 10.85 11.40 12.80	Puts Sep 7 37 103	Jul Aug Oct Jun Apr Jul Aug Sep Dec Jan Mer May	Ciose 485.3 488.7 494.5 600.2 600.2 600.2 600.3 510.7 Cross 483.5 487.1 501.9 512.3 630.6 630.6 630.6	Previous 486.1 0 488.9 488.6 504.7 510.1 - 510.1 - Previous 488.3 510.4 517.8 525.1 532.5	High/Low 487.0 484.5 496.5 502.0 508.0 0 /troy oz_ High/Low 497.5 0 508.5 518.0 0	485.0 494.5 494.5 501.0 0 0 469.0 0 465.5 507.5 0 521.5 530.5
id Sov. oble Plet Uner the months, months, months a months tomhile	83-85 83-85 493,25-601,1 p/fino cz 279,25 289,55 300,10 320,00 7710083 (98,7%) C 9 \$ tonne July 89 3 ade Al C	46 46 51 51 52 84 84 111 43 10 10 10 10 10	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 10.75 10.85 11.40 12.80 f July		Jul Aug Oct Jun Apr Jul Aug Sep Dec Jan Mer May Jul Sep	Close 405.3 489.7 494.5 500.2 505.3 510.7 R 5,000 tr Close 497.1 501.9 512.3 516.5 523.5 536.9	Previous 486.1 0 493.9 498.6 504.7 510.1 - 510.1 - 7 90 02; cents Previous 488.7 498.3 510.4 517.8 525.1 532.5 540.3	High/Low 487.0 494.5 502.0 508.0 9 W/troy QZ High/Low 497.5 0 508.5 9 18.0 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 18.0 18.0 18.0 18.0 18.0 18.0 18.0	485.0 494.5 493.5 501.0 0 0 485.5 507.5 0 521.5 630.0 538.5 0
id Sov. oble Plet Uner the months, months, months is mon	83-85 83-85 83-85 8493.25-801,1 9/800 cz 279,26 289,55 300,10 320,00 9710088 (98,7%) C 9 \$ tonne July 89 3	46 55 51 55 55 55 55 55 55 55 55 55 55 55	7-48 ¹ 2 7-48 ¹ 2 80.50-2 8 cts 6 20.75 10.85 11.40 12.80	Pults Sep 7 37 103	Jul Aug Oct Jun Apr Jul Aug Sep Dec Jan Mer May	Ciose 485.3 488.7 494.5 600.2 600.2 600.2 600.3 510.7 Cross 483.5 487.1 501.9 512.3 630.6 630.6 630.6	Previous 486.1 0 488.9 488.6 504.7 510.1 - 510.1 - Previous 488.3 510.4 517.8 525.1 532.5	High/Low 487.0 494.5 494.5 602.0 508.0 0 0 High/Low 497.5 0 508.5 518.0 0 299.5 533.0 533.0	485.0 494.5 494.5 501.0 0 0 469.0 0 465.5 507.5 0 521.5 530.5
id Sov. phile Plat iner the phile Plat iner the phile Plat phile Plat phile Plat phile phi	83-85 83-85 493,25-601,1 p/fino cz 279,25 289,55 300,10 320,00 7710083 (98,7%) C 9 \$ tonne July 89 3 ade Al C	46 46 51 51 52 84 84 111 43 10 10 10 10 10	7-48 ¹ 2 7-48 ¹ 2 90.50-2 8 cts 6 10.75 10.85 11.40 12.80 f July		Jul Aug Oct Jun Apr Jul Aug Sep Dec Jan Mer May Jul Sep	Close 405.3 489.7 494.5 500.2 505.3 510.7 R 5,000 tr Close 497.1 501.9 512.3 516.5 523.5 536.9	Previous 486.1 0 493.9 498.6 504.7 510.1 - 510.1 - 7 90 02; cents Previous 488.7 498.3 510.4 517.8 525.1 532.5 540.3	High/Low 487.0 494.5 502.0 508.0 9 W/troy QZ High/Low 497.5 0 508.5 9 18.0 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 9 18.0 18.0 18.0 18.0 18.0 18.0 18.0 18.0	485.0 494.5 493.5 501.0 0 0 485.5 507.5 0 521.5 630.0 538.5 0
id Sov. oble Plat liver the months, months m	83-85 83-85 493.25-501,1 p/fino cz 279.26 289.55 300.10 320.00 200.00 320.00 320.00 320.00 320.00 320.00	44 47 46 56 56 57 57 58 58 1111 43 10 121 69 35 Nov	7-(8) ₂ 7-(- Sep 7 37 103 - 100 Nov	Juli Aug Oct Juni Apr Juli Aug Sep Dec Jani Mar May Juli Sep Dec	Cices 465.3 489.5 500.2 505.3 510.7 P 5,000 tr Cices 483.5 497.1 571.3 512.3 512.3 513.5 513.5 513.5 513.5 513.5 513.5 513.5	Previous 486.1 0 493.9 498.6 504.7 510.1 - 510.1 - 7 90 02; cents Previous 488.7 498.3 510.4 517.8 525.1 532.5 540.3	High/Low 487.0 494.5 494.5 502.0 508.0 0 High/Low 497.5 0 508.5 718.0 0 529.5 638.5 0 529.5 638.5	495.0 494.5 493.5 501.0 0 0 495.5 307.5 0 531.0 530.5 0 657.6
id Sov. oble Plet Orer fix pot snorths, months ?	83-85 83-85 83-85 8493,25-801,1 9/800 cz 279,26 289,55 300,10 320,00 9710083 (98,7%) C 9 S tonne July 89 35 1	46 55 51 55 55 55 55 55 55 55 55 55 55 55	7-(8) ₂ 7-(8) ₂ 7-(8) ₂ 8 cts 6 8 cts 6 10.085 11.40 12.80 13 110 5 70 Sop		Juli Aug Oct Juni Apr Juli Aug Sep Dec Jani Mar May Juli Sep Dec	Cices 465.3 489.5 500.2 505.3 510.7 P 5,000 tr Cices 483.5 497.1 571.3 512.3 512.3 513.5 513.5 513.5 513.5 513.5 513.5 513.5	Previous 485.1 0 485.9 499.6 504.7 510.1 - Toy oz: cents 488.7 498.3 507.3 510.4 517.6 525.1 532.5 540.3 551.5	High/Low 487.0 494.5 494.5 502.0 508.0 0 High/Low 497.5 0 508.5 718.0 0 529.5 638.5 0 529.5 638.5	488.0 494.5 493.6 501.0 0 485.5 307.5 0 531.6 530.5 0 657.6
id Sov. oble Plet liver tix oot months, months 2 months 2 months 2 months 6	83-85 83-85 83-85 8493.25-807.1 97800 cz 279.26 289.55 300.10 320.00 320.00 320.00 320.00 320.00 330.7%) CG 330.7%) CG 330.7%) CG 350.7%) CG 35	46 46 46 56 56 57 58 58 58 51 111 43 10 121 69 36 121 69	7-63/2 7-68/2 7-		Jul Aug Cot Jan April Jul Sep Dec May Jul Sep Dec High High High High High High High High	Cices 465.3 489.5 500.2 505.3 510.7 Pt 5,000 to Cices 483.5 497.1 501.0 512.3 512.3 516.5 523.1 630.6 532.1 630.6 532.1 630.6 532.1	Previous 485.1 0 485.9 489.6 504.7 510.1 - 510.1 - 510.1 - 510.3 502.3 510.4 517.8 525.1 532.5 540.3 551.5 OPPER 25.0 Previous	High/Low 487.0 494.5 494.5 502.0 502.0 502.0 0 497.5 0 508.5 918.0 0 299.5 638.5 0 529.5 638.5	485.0 494.5 493.6 501.0 0 0 488.0 0 495.5 507.5 0 531.8 630.5 657.6
id Sov. oble Plat liver fix positive months	83-85 83-85 8493.25-501,1 p/Eno cz 279.26 289.55 300.10 320.00 289.55 300.10 320.00 320.00 130 35 1 Sep 69 34 14	### ### ### ### ### ### ### ### ### ##	7-481 ₂ 7-4	Sep 7 37 103 Puta 49 95 180 Nov 25 48 Dac 35	Jul Aug Jan Apr Jul Aug Sep Jen Mary Jul Aug Sep Jen Mary Jul Aug Jul Aug Jul Aug Jul Aug	Ciose 465.3 489.5 494.5 500.2 505.2 505.3 510.7 R 5,000 tr 493.5 497.1 501.0 512.3 512.3 515.3 516.5 522.1 630.6 538.0 545.9 26RAD& C	Previous 485.1 0 485.9 499.6 504.7 510.1 - Toy oz: cents Previous 488.7 498.3 507.3 510.4 517.8 625.1 532.5 540.3 551.5	High/Low 487.0 494.5 494.5 502.0 508.0 0 10 497.5 0 509.5 509.5 509.5 509.5 509.5 509.5 10 0 10 10 10 10 10 10 10 10 10 11 11 1	485.0 494.5 493.5 501.0 0 485.5 507.5 0 531.5 500.5 530.5 0 657.6
ind Sov. lobbe Plet Breef the pot months, months 2 months 2 months 2 months 500 600 600 600 600 600 600 600 600 600	83-85 83-85 83-85 8493.25-801,1 97800 cz 279,26 289,55 300,10 320,00 320,00 9 \$ tonse July 89 35 1 1 Sep 69 34 14 Sep 84	205 25 45 55 55 55 55 55 55 55 55 55 55 55 55	7-63/2 7-68/2 7-	Puts Sep 7 37 103 3948 49 95 180 Nov 25 48 Dac 35 88	Jul Aug Sep Dec Jan Markey Jul Aug Sep Dec Jan Aug Sep Dec Jan Markey Jul Jul Aug Sep Dec Oct	Close 485.3 489.7 494.5 500.2 500.3 510.7 Close 483.5 487.1 501.9 512.3 516.5 536.5 536.9 545.9 545.9 545.9 114.10 114.00 114.10 114.00 112.00	Previous 486.1 0 483.9 498.6 504.7 510.1 - 510.1 - 510.1 - 510.4 517.8 525.1 525.1 525.1 525.1 521.5 CPPER 25.0 Previous	High/Low 487.0 489.5 502.0 508.0 0 0 14/10/0 497.5 0 508.5 508.0 0 508.5 0 508.5 0 0 508.5 0 0 508.5 0 18.0 0 18.0 0 18.0 18.0 18.0 18.0 18.	485.0 494.5 493.5 501.0 0 0 485.5 507.6 530.0 530.0 530.5 0 657.6
id Sov. oble Plet Uner tiz pot months	83-85 83-85 8493.25-501,1 p/fino cz 279.26 289.55 300.10 320.00 320.00 320.00 320.00 330 35 1 Sep 69 34 14 Sep 64 26 20	67 20 05 200	7-691 ₂ 8 cts	Puts Sep 7 37 103 Puts 49 95 180 Nov	Jul Aug Jan Ang Jan Aug Sep Dec HIGH	R 5,000 tr 6,000 tr 7,000 tr 7	Previous 486.1 0 488.9 489.6 504.7 510.1 - 510.1 - 510.1 - 510.4 517.8 507.3 510.4 517.8 508.1 508.5 540.3 551.5 OPPER 25.0 Previous 116.45 114.70 112.30 110.66	High/Low 487.0 494.5 494.5 602.0 508.0 9 9 High/Low 497.5 0 508.5 518.0 0 299.5 532.5 532.5 532.5 0 557.5	485.0 494.5 494.5 493.6 501.0 0 0 485.5 507.5 0 530.5 0 537.5 0 114.10 114.10 112.60 112.60 112.01 110.25
id Sov. loble Plet Urer tix pot morete, months 2 months 2 months 2 months 2 months 5	83-85 83-85 83-85 8493.25-801,1 p/Eno cz 279.26 289.55 300,10 320,00 320,00 320,00 320,00 320,00 320,00 33 35 1 1 36 36 36 20	205 25 45 55 55 55 55 55 55 55 55 55 55 55 55	7-481 ₂ 7-681 ₂ 8 cts 6 10.75 10.85 11.40 12.8	Puts Sep 7 37 103 Puts 49 95 180 Nov 25 48 Dac 35 88 85	Jul Aug Jan Jul Aug Jan Jul Aug Jan Mar Mar May Jan Hill Aug Sep Dec Hill Aug Sep Dec Dec Jan Nev Cock Nev Cock Nev Cock	Ciose 465.3 489.7 494.5 500.2 505.3 510.7 R 5,000 tr Ciose 493.5 497.1 501.0 512.3 516.5 523.1 600.5 512.0 645.9 28RADE C Ciose 114.10 114.00 114.00 114.00 114.00 110.25 108.00	Previous 485.1 0 485.9 499.6 504.7 510.1 - 510	High/Low 487.0 494.5 494.5 502.0 502.0 508.0 0 High/Low 497.5 0 529.5 532.5 0 529.5 532.5 0 144.10 114.75 112.00 114.75 110.25 100.80 0	485.0 494.5 493.8 501.0 0 0 485.5 507.5 507.5 507.5 114.10 112.00 110.25 100.30 0
old Sov. toble Plet Silver the port in morths, morths, morths, morths 2 months 2 months 550 650 650 650 650 650 650 650 650 650	83-85 83-85 83-85 8493.25-801,1 9/8no cz 279,26 289.55 300,10 320,00 320,00 320,00 320,00 320,00 33 3 34 14 8ep 64 34 14 8ep 84 36 36 36 37 38 38 38 38 38 38 38 38 38 38 38 38 38	67 20 20 20 20 20 20 20 20 20 20 20 20 20	7-691 ₂ 8 cts	Puts Sep 7 37 103 Puts 49 95 180 Nov	Jul Aug Sep Dec Jan May Sep Dec	Close 405.3 489.7 494.5 500.2 505.2 505.3 510.7 R 5,000 tr Cross 497.1 512.3 512.3 512.3 512.3 516.5 522.1 630.6 538.0 645.9 645.9 114.10 114.10 114.10 114.00 114.00 114.00 1108.60 108.60	Previous 486.1 0 488.9 489.6 504.7 510.1 510.1 510.1 510.1 510.3 510.4 517.8 525.1 532.5 540.3 551.5 CPPER 25.0 Previous 118.45 114.70 112.30 110.66 109.30 107.90 105.00	High/Low 487.0 489.5 502.0 508.0 0 0 High/Low 487.5 0 508.5 518.0 0 0 159.5 532.0 532.0 532.0 632.5 114.00 114.10 114.00 114.10 110.00 0 100.00	495.0 494.5 493.6 501.0 0 0 485.5 507.5 0 530.0 550.0 550.0 114.10 114.10 114.10 112.60 112.60 110.25 106.30 0
	83-85 83-85 83-85 8493.25-801,1 p/Eno cz 279.26 289.55 300,10 320,00 320,00 320,00 320,00 320,00 320,00 33 35 1 1 36 36 36 20	67 20 05 200	7-481 ₂ 7-681 ₂ 8 cts 6 10.75 10.85 11.40 12.8	Puts Sep 7 37 103 Puts 49 95 180 Nov 25 48 Dac 35 88 85	Jul Aug Jan Jul Aug Jan Jul Aug Jan Mar Mar May Jan Hill Aug Sep Dec Hill Aug Sep Dec Dec Jan Nev Cock Nev Cock Nev Cock	Ciose 465.3 489.7 494.5 500.2 505.3 510.7 R 5,000 tr Ciose 493.5 497.1 501.0 512.3 516.5 523.1 600.5 512.0 645.9 28RADE C Ciose 114.10 114.00 114.00 114.00 114.00 110.25 108.00	Previous 485.1 0 485.9 499.6 504.7 510.1 - 510	High/Low 487.0 494.5 494.5 502.0 502.0 508.0 0 High/Low 497.5 0 529.5 532.5 0 529.5 532.5 0 144.10 114.75 112.00 114.75 110.25 100.80 0	485.0 494.5 493.8 501.0 0 0 485.5 507.5 507.5 507.5 114.10 112.00 110.25 100.30 0

		Previous	סראומה	w					
Aug	16.77	17.07	17.30	18,77	SQY	UBEANS 5,	000 bu teln;	cents/80fb b	ushel .
Sep	17.43	17.72	17.90	17.43		Çiose	Previous	High/Low	
Oct	18.00	18.26	18.37	17.99	Jul	646/0	623/4	655/0	632/0
Nov Dec	18.36 18.85	18.58 18.81	18.65 18.89	18.40 18.63	Aug	653/0	630/0	660/0	640/0
Feb	18.90	19.04	19.07	18.90	Sep	655/6	636/6	668/6	850/0
Apr	19.08	19,16	19.20	19.08	Nov	672/0	650/4	680/4	860/4
					- Mar Mar	652/5 694/4	652/Q 674/Q	692/0 702/4	675/0 687/0
HEATI	HO CIL 4	2,000 US ga	dis, cents	US galls	May	703/4	683/6	711/0	895/0
	Latest	Previous	HighALor	w					
Aug	4850	4862	4685	4830	SCIVA	REAM OF	90,000 (bs: o	nesterik .	
Oct	5106	5135	6155	5105					
Nov	6230	5253	5265	6280		Close	Previous	High/Low	
Jan .	5370	5391	5430 5035	5370	ᆁ	26.67	24.85	25.00	24.92
Apr May	5030 4330	5036 4930	4930	5025 4925	Aug Sep	25.61 25.66	24.75 24.62	25.75 25.62	25.00 24.90
	7000				Oct	25.45	24.56	25.66	24.85
<u></u>	5 10 tons	es:\$/tonnes			Dec	25.28	24,48	25.45	24.70
					. Jan Mar	25.15 25.00	24,31	25.31	24.60
	Close	Previous	High/Lo		· May	24.90	24.05 23.91	25.05 24.91	24.85 24.85
Jul	1264	1221	1286	1230					2
Sep	1309 1342	1246 1278	1317 1347	1258 1296	-				
Dec Mer	1376	1304	1360	1337	SOYA	SEAN ME	AL 100 tons;	\$/kon	`_
May	1402	1326	1402	1362		Ciose	Previous	High/Low	
الدار	1420	1340	0	0	Jul	187.1	180.5	190.0	182.5
Sep	1440	1366	0	0	Aug	188.7	161.8	191.8	188.2
					840	190.6	183.7	193.7	157,5
COFFE	% "C" 37	500lbs; car	rte/jibe		Oct. Dec	192.8 197.1	186.0 180.2	195.0 200.2	190,0 194.5
	Close	Previous	Highton		Jan	198.7	192.0	202.0	198.6
Jul	B4.15	82.90	85.00	82.65	Mar	202.0	194.2	204.2	198.5
Sep	86.85	85.60	87.80	84,80	May	202.5	196.0	206.0	201.0
Dec	90.05	88.75	90.75	88.20					
Mer	93.30	91.75	93.40 95.00	91.25	MAZZ	E 5,000 bu	min; cerus/5	6fb bushel	
May Jul	95.00 97.75	93.35 95.56	97.76	93.75 95.00		Cicse	Previous	High/Low	
Sep	100.25	96.55	99.50	99.50	311	296/2	205/4	302/2	295/2
-	_				Sap	290/2	259/4	297/0	289/4
SUGA	H WORLD	~11° 112,0	00 lbs; ce	nta/Nos	Dag	290/2	287/6	296/4	250/4
	Close	Previous	High/Los		Mer	296/2	294/2	302/4	205/4
	12.61	12.21	12.42		May	300/4	298/4	308/4	300/3
Jul Oct	13.28	12.77	13.35	12.42 12.81					
Mar	12.88	12.32	12.73	12.82	-		min; centsA	908)-busher	
May	12.62	12.30	12.75	12.43		Close	Previous	High/Low	
Oct	12.43	12.09	1243	12,33	Jut	326/4	325/6	331/0	326/2
					Sep	332/2 347/4	331/0	336/6	331/4
COTT	DAI 60,000	COUTS/100			Mar	364/2	345/4 362/2	352/0 359/2	345/0
	Close	Previous	High/Los	•	May	350/0	34844	355/4	349/0
Jul	87.87	87,20	85.00	87.00					٠.
Oct	79.25	78.23	79.25	78.45	LIVE	ATTLE 40	.000 Sht; den	ts/ibe	
Dec Mar	75.23 75.55	74.58 76.15	76.26 73.70	74.76 75.20		Close	Previous	High/Low	
May	75.84	75.26	75.76	75.40	Aug	72.80	73.07	72.92	72.22
Oct	70.90	70.63	70.90	70,90	Oet	75.30	75.25	75.80 -	74.75
		_			Dèc	75.32	74.80	75,40	74.55
ORAN	GE JUICE	15,000 lbs;	cents/lbs		Feb Apr	75.22 76.15	74,67 75.77	76.32 76.20	74.42
	Close	Previous	High/Lor	,	Jun	73.15	72.90	73.35	72.60
Jul	190,40	189.35	190.40	188.00					
Sep	177.86	175.55	178.50	176.50	LIVE	OGS 30.00	O lb; cente/7	bs -	
Nov	167.80	185.00	167.50	165.00		Close	Previous	High/Low ·	
Jan Mar	160.50 160.20	160.00 160.65	161.40 161.00	180.60 161.00	Jul				
May	169.70	159.10	0	0	Wid	61.27 58.17	80.40 58.30	61.70 58.80	₫1.15 58.47
Jul	150.70	159,10	0	0	Oct	54.06	52.75	64.25	53.60
					Dec	53.00	51.60	63.10	82.26
	CER _				F6b Apr	50.05	49.80 48.80	50.30 47.25	48.50 48.50
ABU	HERAS (Bes	ec. Septemi	ber 18 195	1 = 100)	Jun	47.12 50.00	48.77	50.20	49.40
	Jul 2	Jun 29	conts or	0 yr 200			٠.,		
 			1898.7		PORK	BELLES 4	0,000 lbs; ca	nts/fb	
i	1862.4			2021.6		Close	Previous		.
DOW	JOHES (Bess: Dec.	31 1874 =	190)	-			High/Low.	
ı — —	Jun 2	Jun 27	menth ad	o yr ago	Jul Aug	99.AT	58.20	60.20	ET.00
Spot	132.67			132.90	Feb	57.77 56.00	56.22 54.00	58.82 66.00	54.80
	بهجور 13245 مع		-	131,37	Mar	55,12	53.12	85.12 ·	54.30
					May	66.20	54.25		6646 .
				_	_		•	. :	•• ·
								-	1.3. <u>1</u> 3. j

LONDON STOCK EXCHANGE

Retail sales revision upsets equities and interest rates

start to the week, abandoning an early attempt to move for ward as trading volume faded away in the face of fresh concern over the outlook for corporate profits. Hopes for relief from the burden of high interest rates in the UK were damped down by an unexpected upward revision in

STATE OF THE STATE

COLET IS STATE OF

Sin Ci Marin

Special Control

entra value

Buonts &

PRODUCES 15

State State

BACT (

entres de la companya
USINES CO

Bill Exposes to

De riches

D ENGINEERS AND A SECOND SECON

ASERTON WITH

andanie zad za

ta promise

to the Salarian

AND TO BELL THE

HELY AND THE

Baltic

retreat

Can' ಜ ನಾಗವನ್ನ

出来上出来

SAID CO.

William Francis

A Partie of

and of the same;

र्ज । ता ३ सम्बद्ध २३ कि । ता १५ स्था

AP 13. 11 22

Wall street

re Commen mil

-

ಕಡು ಸಿಬ್ಬಿಟ್ ಪಡ

MANITOR SERVICE

.a4:3r3 (140:127)

est believe to a

may was noticed

Keel Truck 190

ಾದ ಬಾಹಾಬ

W 41

4-2-2

ن د د

1 **3**:-

Miles Silver Carrier Ball

DE 120 | 30 50

Parties ...

VALUE C

IN TO S PATER

May's domestic retail sales The reverberations surrounding Friday's expiry in the futures markets continued to echo through the stockmarket. Traders repeated their complaints of the underlying danger of allowing the secondary market in futures to influence

Accoun	t Deallog I	ates
That Dealings Jun 25	9 لىدر	23 نوار
Opens Declared Jol 5	Jul 19	Aug 2
Last Declage: 	Jul 20	Анд З
Account Days.	Jul 50	Aug 13
Now-time clean	ge may take pl	non from

to the degree reported on Friday morning.

There were signs initially that the new September futures contract, which started trading yesterday, might exer-cise a similar influence on the underlying Footsie stocks as market in futures to influence did its predecessor, the June the primary market in equities contract, during May and June.

started the day at a strong premium, which helped reverse an early fall in the FT-SE Index itself. But the premium faded away later and brought the Index back in its train. The futures contract closed with a premium of 75 points, although traders pointed out that some 50-55 of these represented "fair value," taking in the time span to expiry and pending dividend

ning to shade lower as optimism for early entry into the After gaining 9.5 points in early trading, the FT-SE Index exchange rate mechanism of the EMS died away somewhat; turned back to show a net fall however, a leading strategist in of 6.4 before managing to rally UK government bonds combehind a firm opening on Wall mented last weekend that the Street which saw the Dow market is "absolutely confident Average 12 points up in Lonthat we will go into the ERM

down." Concern over continued inflationary pressures in the UK were heightened by the announcement that the May retail sales figures had been

and interest rates will come

revised to show a gain of 1.4 per cent. No upward re-rating had been expected in the stockmarket, which was discouraged by this reminder that domestic interest rates could still come under further upward pressures.

The latest round of downgradings of corporate profits by the brokerage analysts again focused on the problems in the property and construction sec-

FINANCIAL TIMES STOCK INDICES 1990 Low Since Compitation High Low June June 26 27 June 26 127.4 49.16 79.60 (9/1/35) (3/1/75) (2/1) Fixed Interest 105.4 50.53 88.19 58.22 58.19 88.42 88.41 96.33 63.60 92.91 (26/11/47) (3/1/75) (30/4) 49.4 (26/8/40) 1902.6 1926.6 1791.6 1653.6 2008.6 (5/9/89) Gold Mines 182.6 178.8 167.9 (15/6) 734.7 (15/2/83) (26/10/71) FT-SE 100 Share 2374.6 2355.7 2373.5 2399.8 2185.6 2463.7 986.9 (3/1/90) (23/7/84) 2103,4 2483.7 (3/1)(30/4)Basis 100 Govt. Secs 15/10/26, Pland Int. 1928, Ordinary 177/35, Gold relines 12/9/55, Basis 100 FT-SE 100 21/12/83. © Nii 11.13 Ord. Div. Yiek 4.81 10.61 11,42 10.53 11.48 Earning Ykl %(full) P/E Ratio(Net)(±) 10.76 11.27 10.83 11,19 10.75 11.27 SEAQ Bargns 4.45pm 22,505 22,268 761.42 21,924 373.2 22,444 734.86 26,826 803.67 **GILT EDGED ACTIVITY** 23,661 25.078 Equity Turnover(Em)† Equity Bargains† Sharer Traded (ml)† June 29 June 28 Indices* 25,889 26,677 376.6 435.1 21,378 343.3 327.6 Gilt Edged Bargeins 89.7 Ordinary States Index, Hourly changes Day's High 1904.8 Day's Low 1893.1 107.1 114.6 5 -- Day average Open 1898.2 9 am 1904.5 11 am 1902.7 12 pm 1898.4 1897.3 2 pm 1898.3 3 pm 1895.8 SE Activity 1974. tExcluding intra-market business & Overseas turnover. FT-SE, Hourly changes Day's High 2384.1 Day's Low 2368.2 Open 9 am 10 am 2373.6 2360.7 12 pm 2372.4 2 pm 3 pm 4 pm 2373.1 2372.4 2371.8 2368.2 2371.2 London report and latest 11 am 2380.3 Share index: Tel. 0898 123001.

TRADING VOLUME IN MAJOR STOCKS

Surprise in sugar stocks

Berisford International fell to its lowest level for a year after Tate & Lyle announced it would not be bidding for the commodity and property group. Turnover in Berisford swelled to 3.5m and its chares fell 12 to 100p as investors wor-ried that no other bidder was on the horizon.

Tate's decision not to go for Berisford comes only days before Berisford's interim results, when it is expected to announce large-scale provi-sions against its New York property interests. According to press reports, the provisions could be more than £150m. Initially Tate rallied but then

fell back following a further announcement that it had discovered certain marketing practices at its UK sugar business which may have broken competition laws. Tate ended the day 6 lower at 299p, having traded 1.8m.

However, many analysts were surprised Tate had fallen back so far. According to Mr Marcus Darville at County Nat-West, the impact on Tate of having possibly contravened competition laws would be outweighed by its withdrawal from a bid for Berisford. 'Tate has pulled out of a £1.2bn bid and on balance should have ended the day higher." he said.

Ratners rights

The announcement of a rights issue by Ratners, to buy Kay Jewelers of the US for for many months.

Their reactions were mixed. The optimists pointed to Rat-ners' statement that the deal would be earnings neutral in next year, from \$280m to the first year and earnings enhancing next Mr Tim Kirkwood at S.G.

Warburg said the deal made sense in the longer term but that the company might have bitten off more than it could chew. Given the low level of profit at Kay, he said, a large and rapid uplift in margins would be required to avoid earnings dilution next year.

He recommended investors take up rights unless the market fell steeply, and incidentally changed his recommendation from a buy to "take profits" because of the stock's recent good run. recent good run.

Ratners already operates the Sterling jewellery stores in the US and with the addition of Kay's 400 stores, it would operate about 970 outlets, making it a strong challenger to Peoples

Jewellers as market leader in

the US.
Ratners opened at the day's low of 258p, compared with Friday's close of 275p. The shares recovered to 265p but weak-ened again before the close to end at 264p. Trading was light.

C & W wanted

Cable & Wireless shares were given a big boost with leading agency broker James Capel said to have been a big buyer of the shares. Mr Step-hen Owen, telecoms specialist at Capels, said the broker had published a note on Mercury, C & W's telecoms division, after carrying out its annual survey of the buying intentions of a large number of telecoms managers.

This revealed, said Mr Owen. that Mercury's business is expected to "increase dramatically over the next few years, which will feed into profits in coming years." A discounted flow calculation of Mercury's worth, carried out by Capel, is put at £4bn.

C&W shares easily outperformed the rest of the market, closing 11 higher at the day's best of 552p; turnover reached 2.3m shares.

Among the weaker features of the session, Trafalgar House, the construction group, fell sharply as attention was drawn by a UK securities house, to the still gloomy outlook for the depressed property market. This was the second securities house within a week to comment adversely on the group. Mr Andrew Mitchell, of Smith New Court, downgraded his forecasts for Trafalgar House for this year, and even more markedly for next year.

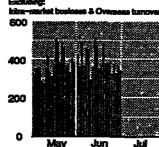
He helieves group profits benefited in the first half of this year from several succes \$328.1m, caught some traders ful, but unexpected, disposals and analysis by surprise, of commercial developments, despite having been talked of but that such windfalls will be much harder to find next time round. He has downgraded his forecast for this year's profits from 2260m to £235m, and for £225m. The shares fell 20 to 810p, with 8.6m traded. There was a sympathetic dip in shares of P & O, down 8 at

650p as investors considered the outlook for Bovis, its building and construction division. News that Glaxo had submitnews that that had shintered its first product licence applications for sumatriptan, a treatment for migraine, to regulatory authorities in the UK and the US, came too late to affect trading in the shares in

FT-A All-Share Index

1150 1100

Equity Shares Traded Turnover by volume (million)



London. US investors had been buyers all afternoon inspired, said traders, by the end of Glaxo's financial year at the weekend. The company uses a year-end exchange rate to calculate dollar earnings, so an element of uncertainty surrounding the stock had been removed. There had also been optimistic press comment at the weekend on the prospects for sumatriptan. Glazo climbed 16, mostly after

Africa.

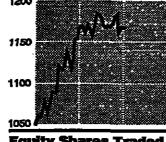
in recent weeks by a profits warning and a number of subsequent downgrades, after a ates 18 hotels in four countries visit by a party of electronics analysis to the group's Dutch operations based in Rotterdam. The trip proved "mildly reassuring," according to one participant, although he said a recovery in fortunes at the recovery in fortunes at the company "is still some way off." Logica shares settled 11

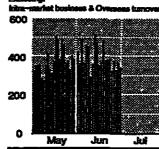
Sema held at 599p as French

NEW HIGHS AND LOWS FOR 1990

APPOINTMENTS

NEW 1903-5 (59).
AMERICANS (1) BASICS (1) BREWERS (1)
BUILDINGS (5) CHEMICALS (5)
BUILDINGS (5) CHEMICALS (5)
BUILDINGS (5) BOTH Gentimer, Goods
Durrant, Proudict (A), PCO, Robertson,
Rociowara, Shants & McEwen, Tomicine
(Fit) Lipic Cv. PL, MERIRANCE (5) LESURE
(5) SHOES (2) TEXTILES (1) TRUSTS (5)
OUS (5).





Wall Street opened, to 834p.
Renewed publicity given to
the rising price of rhodium, an
element related to platinum and with similar applications, helped Lourho buck the mar-ket's trend. Last Friday the rhodium price reached \$4,500 per troy ounce, up \$450 from the previous day's record high and double that seven weeks earlier. Lourho owns Western Platinum, the third largest platinum producer in South

There was strong support for Logica, the software house hit

higher at 190p.
Also in the software sector,

MEW LOWS (58).

AMERICANS (7) CANADIANS (1) BASICS
(1) BREWERS (1) SILL DINGS (2) CHEMICALS
(1) STORES (2) ELECTRICALS (2) PRODS
(4) BRUSTRIALS (7) BSG Int., Beaverto,
Chestergale, Softwbya Chesa A, Stonabli,
Stormgard, Walserman Partnership,
MSURRANCE (5) LESSIRE (1) MOTORS (1)
PAPERS (1) PROPERTY (1) SOUTH
AFRICANS (2) TRUSTS (10) OLS (5) MINES
(5) THEIR MARKET (1).

group Cap Gemini Sogeti confirmed it had been into the market and marginally increased its holding in Sema to 25 per cent.

don trading hours. The final reading showed the

FT-SE at 2,372, a net loss on

the day of 2.6 points. Seag vol-

time was very thin, with only

310.7m shares traded through

the system, against 461.9m in

the previous session. Yesterday

was the opening of the second

leg of the two-week trading

account in equities. The first

week saw share prices begin-

Amstrad, sustained by recent news of its "double decker video recorder," put on 1½ more to 72p. Turnover was

GEC staged a modest late recovery, picking up from an earlier 194p to close a net 11/4 better at 197p on turnover of 5.7m, despite growing nervous-ness over the group's prelimi-nary figures due today. The range is thought to be in the region of £870m to £910m and dealers have become increasingly concerned about the per-formance of the company after the Plessey acquisition.

Speculation that Swiss arbitrageur Dr Tito Tettamanti had moved back into the market to add to his stake in Unitech, boosted the latter 5 to 373p. A 33 per cent improvement in year-end profits from Scot-tish and Newcastle had been

discounted by the market, and the shares edged a penny lower to 339p. The profit of £183.3m was in the middle of a narrow range of analysts' forecasts, and the company's positive statement accompanying the figures was only a reiteration of earlier optimism Trading in Whitbread was

hit by rumours of downgradings. Analysts who were said to have cut their forecasts denied the suggestions. Marketmakers said the incident was "scaremongering," but Whithread's "A" shares failed to recover much of the ground lost and closed 9 easier at 446p. The day's low was 443p. Ladbroke had an uncomfort-

able day as at least one buyer active last week stayed on the sidelines yesterday. Several marketmakers, some of them well placed, also said that analysts at UBS Phillips & Drew had voiced concern over the company's property interests. However, a UBS analyst said: We have no concerns at all about Ladbrokes' property.' Ladbroke retreated 5 to 334p.

sold one, the Hotel Ligure in Fréjus on the Mediterranean coast of France, for FFr20m (£2m). The company paid FFr7.5m for the hotel in February. The shares firmed 2 to 40p. Publication of Racal Tele-com's annual report and accounts coincided with a number of buy recommenda-tions for the shares. Significant among these were strong recommendations from Goldman Sachs, the highly influen-tial US investment bank, and Smith New Court, the UK secu-

rities house.
Goldman's cellular radio specialist, Barry A Kaplan, a long-term bull of Racal Tele com, labelled Racal Telecom one of the most attractive celhular telephone stocks in the

world." Mr Kaplan said while the overall cellular market's subscriber growth has slowed somewhat recently, Vodafone's growth remains strong and there is evidence of a very recent acceleration in growth. Goldman said Vodafone has more than 570,000 subscribers, a number that could double

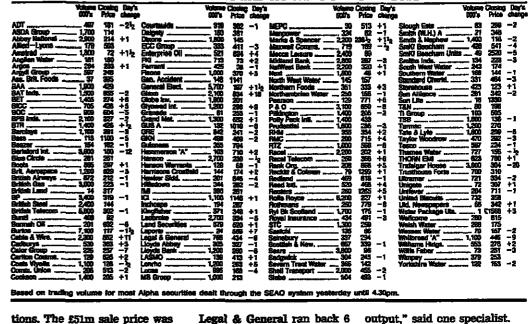
over the next two years.
The US firm said that Telecom's earnings per share should double over the next two years : "We estimate a compound annual growth rate of more than 25 per cent over seven to ten years." Goldman's "conservative" asset value is 677p a share. Smith's electronics/telecoms team pinpointed the "very strong" growth at Racal Telecom but also emphasised the attractions of Racal Electronics. Racal Telecom shares moved up 6 to 366p. while Racal Electronics closed marginally ahead at 202p, after

206p.
Robertson Group, which provides geological and technical services, saw full year profits rise by a third to £8.1m. The company also announced a one-for-two scrip issue, and the shares firmed 5 to 149p. USM-quoted Sterling Pub-

lishing, which owns Debrett's Peerage, continued to benefit from last week's 50 per cent rise in full-year figures. The shares added 4 at 145p. Tiphook featured in an oth-

erwise quiet transport sector. The shares slipped ahead of finals on Thursday. They bottomed at 533p and closed at 535p, a net decline of 7. Hazlewood fell 8 to 156p after it announced a management

buy-out of its confectionery and snacks companies at a price below market expecta-



tions. The £51m sale price was £5-10m less than analysts' estimates. Speyhawk gained 3 to 218p

following news that it had let 95,000 sq ft of floor space at its 285,000 sq ft Cannon Street development to the London International Financial Futures Exchange for the new futures and options exchange. Mr Graham Stanley of County NatWest said the letting was important as it would help Speyhawk attract other ten-ants in the derivatives indus-

First National Finance dropped 11 to 210p after the 17 per cent fall in interim profits which was accompanied by what was interpreted by one dealer as a "small warning." for the future.

Legal & General ran back 6 to 434p in a life assurance sector which has recently been hitting new relative highs and which UBS Phillips & Drew describe as "not related to fundamentals but more to bid

Lloyds Thompson were outstanding in an otherwise neglected insurance broking arena, the shares moving up 9 to 304p.

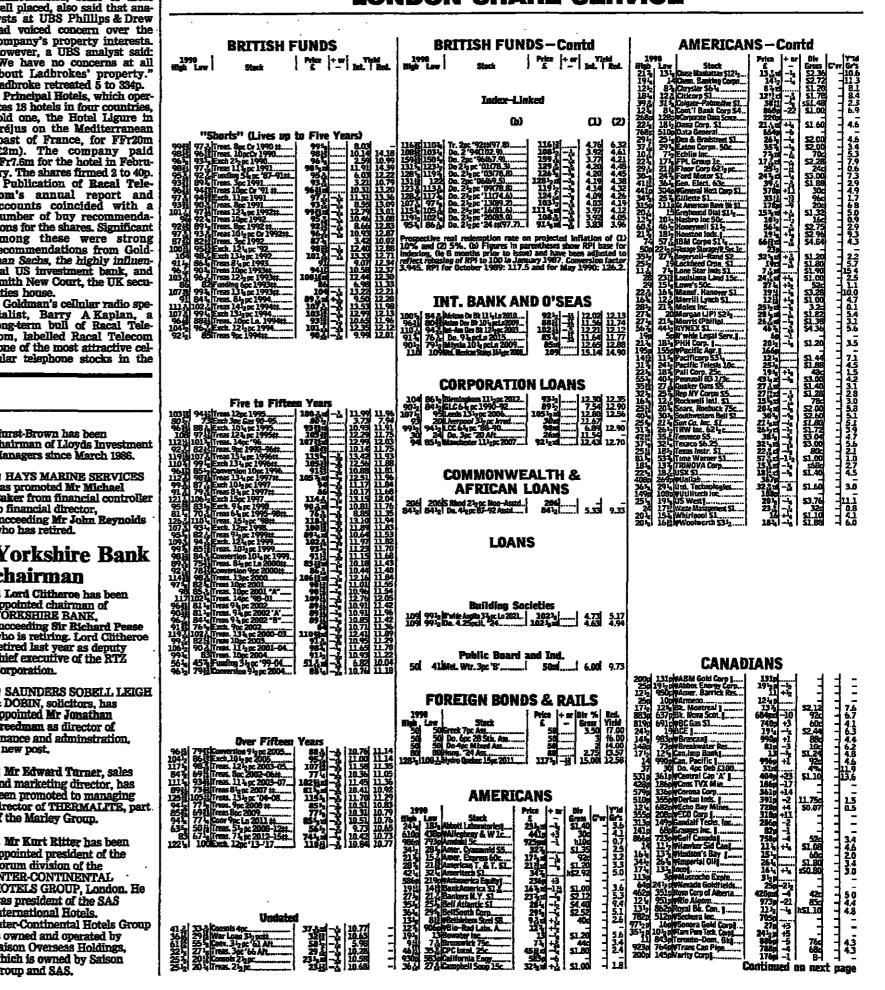
News of the strike action on Norwegian oil and gas fields in the North Sea caused a brief bout of activity in oil stocks, but this proved short lived; "It is good for sentiment in the very short term, but, if anything, may well be bad news because OPEC officials, meeting later this month, may feel less urgency to act to reduce

Burmah dipped 6 to 632p after announcing the reorganisation and management changes. Ms Irene Himona at Hoare Govett pointed out the benefits of the moves, high-lighting the cost savings, the speeding up of decision making and the bigger emphasis on fuels and chemicals. "Although the stock has undergone a rerating recently, we think they are still undervalued," said Ms

Himona. Cairn Knergy advancd 11 to 328p after news of the acquisition of two Forties Field Units from Ranger Oil UK for \$9.8m cash.

Other Market statistics. including the FT-Actuaries share index, Page 24

LONDON SHARE SERVICE



Senior posts CHARTERHOUSE BANK has appointed Mr Ian Edward at Scott

■ SCOTT has appointed Mr Alan Cavers as managing director of the recently acquired Cross Paperware, and to the main board. He was general sales manager, consumer business, where he is succeeded by Mr Joe Turner who was national accounts sales manager. Mr Malcohn Macpherson, former managing director of Cross Paperware has been appointed to a new role in Scott's European headquarters at Leatherhead. Mr Keith Robinson has been promoted to manufacturing director of Scott, from managing director of Scott

Mr Eric Oakley has been appointed a director of HAYNES PUBLISHING GROUP. He is president of the US subsidiary Haynes Publications Inc.

Mr Jeff Attfield, director, has been appointed head of UK pension fund investment

■ Mr John Sacks, chief executive of ARENSON GROUP, has been appointed non-executive chairman of two office furniture makers -Antocks Lairn and Leabank Office Furniture - which are being acquired by Danish parent company Skandinavisk

as a director in the mergers and acquisitions unit of its corporate finance division. He was an associate director, mergers and acquisitions

Mr Roy Bowles has been appointed chairman of ROAD HAULAGE ASSOCIATION INSURANCE SERVICES, a joint venture company operated by Bain Clarkson for the RHA.

department, County NatWest.

J.H. MINET & CO has appointed Mr Robert Pellow and Mr John Rayner as divisional executive directors, international marine division, and Mr David Hardy as divisional executive director, aviation division.

■ BENSON GROUP has appointed Mr Ron Green as finance director.

RKF GROUP has made the

following changes. Mr Clive Preston, managing director of Pleasureworld, joins the main board. Mr Huw Walters, a director of Pleasureworld. joins RKF Group as a non-executive director. Mr Colin Clarke, property and marketing director, is resigning from the main boardin line with the company's policy of reduced involvement in property development activities. Mr Michael Hearn, company secretary, is retiring. His duties will be taken over by Mr Michael Ashbrook,

financial director.

Managerial moves at Sun Alliance

■ SUN ALLIANCE GROUP has made the following changes. Mr A. Watt, director and general manager, National Vulcan, and a director of Sun Alliance International, retires on December 31. He will be succeeded by Mr K.D. Sinfield, director, Sun Alliance Management Services. Mr S.W. Broughton, manager, international systems department, succeeds Mr Sinfield as manager, electronic marketing division. Mr A.J. Alwin, systems manager. international systems department, has been appointed manager, information systems, Sun Alliance Insurance Overseas.

■ Following the formation of the NELSON STOKES GROUP, Camelford, Mr James M. Omand has been appointed chairman; Mr Harold N. Stokes, managing director, Mr Walter Roberts, technical and quality director, and Mr William R. DeLong, non-executive director.

Mr Nigel Hurst-Brown will join MERCURY ASSET MANAGEMENT GROUP this month as an executive director. He will be appointed joint chairman of Warburg Asset Management international equity and fixed mcome division. Mr

Hurst-Brown has been chairman of Lloyds Investment Managers since March 1986.

HAYS MARINE SERVICES has promoted Mr Michael Baker from financial controller to financial director, succeeding Mr John Reynolds who has retired.

Yorkshire Bank chairman

■ Lord Clitheroe has been appointed chairman of YORKSHIRE BANK, succeeding Sir Richard Pease who is retiring. Lord Clitheroe retired last year as deputy chief executive of the RTZ Corporation.

■ SAUNDERS SOBELL LEIGH & DOBIN, solicitors, has appointed Mr Jonathan Freedman as director of finance and adminstration,

Mr Edward Turner, sales and marketing director, has been promoted to managing director of THERMALITE, part. of the Marley Group.

Mr Kurt Ritter has been appointed president of the Forum division of the INTER-CONTINENTAL HOTELS GROUP, London. He was president of the SAS International Hotels. Inter-Continental Hotels Group is owned and operated by Saison Overseas Holdings, which is owned by Saison

Group and SAS.

Continued to the continued of the continued to the continued of the contin

ent to the second

		State Code Booket ring the F1 Oldfille 1809 Cott Cit Cit Cit
Cointd 1996 19	INVESTMENT TRUST - Contd INVESTMENT TRUST - INVESTMENT TRUST - CONTD INVESTMENT	OIL AND GAS — Centel 1990 Right Law Shock Price - Red Cwr Gr's Pyr 1990 High Law Shock Price - Red Cwr Gr's 1990 High Law Stock Price - Red Cwr Gr's 1990 High Law Stock Price - Red Cwr Gr's 1990 High Law Stock Price - Red Cwr Gr's 1990 High Law Stock Price - Red Cwr Gr's 1991 120 Winter Price - Red Cwr Gr's 1991 120 Winter Price - Red Cwr Gr's 1991 120 Winter Price - Red Cwr Gr's 1992 High Law Stock Price - Red Cwr Gr's 1993 10 Stock Price - Red Cwr Gr's 1994 10 Stock Price - Red Cwr Gr's 1995 Missellianceus 118 - 1996 1990 Stock Price - Red Cwr Gr's 1997 Missellianceus 118 -
488 420 boby Panels 459 3 910 H 10 12 D 250 225 lemm metal 250 3 016 9 16 4.9 50 251 lemm metal 250 250 250 250 250 250 250 250 250 250 250	102 Do. H-2005. 116	425 360 ASM0
Section Sect	881 7.1 46 105 6415.7 104 77 Was akin ton Mes. y 22 41 20 88.3 7.1 217 (os. Vesture 19.1 lbp. y 239 +2 0.1 294.1 18.8 40 25 Do. Wyrsts. y 28 +1 130 Do. 120 Warrants. y 140 - 43 35 In "ton Pas Ears 10p y 35 - 39.3 11.0 156 Dot. Warrants. y 165 - 92 85 Investure but 18 to y 11 +1 7.75 11.4 91 100 Usar 25 Do. Cap. 19. y 325 - 78 +1 13.18 5.9 92.6 16.8 100 Usar 25 Dot. Cap. 19. y 325 - 78 +1 13.18 5.9 92.6 16.8	32 20 10 10 10 10 10 10 1
96. 81 Dammart Verma 10. 7 91.6 3.5 76.51 6.7 16.3 127 Statemetelob 9 134 4.75 2.4 4.71 1.9 112 2.47 155 Charley & Sen. 5 20.6 11.10 11.	7400. Wrets	134
277 233 Lex Service. 279 -2 6.3 2.4 7.4 7.0 1.5 1.4 1.4 1.1 1.7 8 1.5 1.4 7.1 1.7 8 1.5 1.4 7.1 1.7 8 1.5 1.4 1.4 1.4 1.4 1.5 1.5 1.5 1.4 1.4 1.4 1.4 1.5 1.5 1.5 1.4 1.4 1.4 1.4 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	250 Durde 2 Landon. § 266at. 110.5 5.2 312.114.2 128 1170.6 4.9 Co. Pr. vy 125 64.6 6.7 113.0 5.0 490 Dardin inc. Growth, § 517. 1.9 54.4 126.2 1710.6 4.9 Co. Pr. vy 125 64.6 6.7 113.0 12.0 12.5 11.0 12.0 11.0 12.0 11.0 11.0 11.0 11.0	225 15-0 (riton Europe 5p. p 162 47.6 1½ 0½ Barbicas Hidgs. 1p. y 1½ +½ 45 25 35 Sipcore 1p. y 25 45 25 31-0 (riton Europe 5p. y 35 -1 47.6 1½ 0½ Barbicas Hidgs. 1p. y 1½ +½ 45 25 Sipcore 1p. y 25 4
26-3 16(Princes 10p	7-25-18591 1195 6 v 455 N19.5 6.0 FINANCE, LAND, ETC 848 N30.0 4.8 977-614.1 FINANCE, LAND, ETC 2512-18592 1495 151 V 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 No. v 46+1 - 52-613.4 Nich Law Start Price 1.1 Nich Law Start Price	630 4889 artof agesta Hides. V 665 - 5 Q17.0 4.2 2.0 9.1 120 455 Cover Eyellas 50. V 69 6.8 6.8 6.0 50 No. Sec Clam Pri St. 50 Q4.9 - 9.6 22 13 Cover Eyellas 50. V 15 4 D1 Chillington Con V 101 8.25 1.5 10.9 (7.6) 45 12.8 22 13 Cover Eyellas 50. V 15 a0.38 5.1 2.8 7.3 154 10.1 Chillington Con V 101 8.25 1.5 10.9 (7.6) 45 1.7 Edinburgh Hib. 20. a0.38 5.1 2.8 7.3 154 10.1 Chillington Cover 1 10.0 4.4 5.5 3.8 4.8 6.5 3.8 Egistor Expl. x 50 x 3.8 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.9 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50 x 3.0 4 1.2 2.0 5.0 11.3 6.5 38 Egistor Expl. x 50
491 348 neteropedent 778 4644 1.6 4.9 20.4 12 1148 Samh Cames St. 9 115 3.0 1.6 3.5 20.1 92 125 125 125 125 125 125 125 125 125 12		11 b BigFirst Pac Co. Lc. 11 00 666 4.3 3.5 6.6 18 250 Writts 100 V 270 125
794 6439 earson 0 771 4 21.5 2.8 3.7 11.5 87 72 lown Centre. V 80 41.5 1.9 3.0 23.1 184 1 143 79 Final Rest. 6 Scilloy 79 13.5 2.5 5.9 7.6 10 56 liratford Part. V 68 +2 12.5 1.7 5.0 14.9 174 175 21.5 26 September 18 18 18 18 18 18 18 18 18 18 18 18 18	146 Fleming American. 8 175-1-2 1.5 1.1 191.7 8.5 106 808/meb. ins. 8/72-2 9 65 21.0 0.9 - 101.5 1.1 191.7 8.5 106 808/meb. ins. 8/72-2 9 65 27.0 0.4 2.1 - 73 5- 38-mes 2 294 1 1.5 1.1 191.7 8.5 10.6 808/meb. ins. 8/72-2 9 65 27.0 0.4 2.1 - 73 5- 38-mes 2 294 1 1.5 1.1 191.7 8.5 10.6 808/meb. ins. 8/72-2 9 65 27.0 0.4 2.1 - 73 5- 38-mes 2 294 1 1.5 1.1 191.7 8.5 10.6 2.5 1.7 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	1996
PAPER, PRINTING, ADVERTISING SHOES AND LEATHER 214.1 4.0 4.2 2.2 2.4 4.0 2.3 2.4 2.0 2.4 4.0 2.3 2.4 2.0 2.4 4.0 2.3 2.4 2.0 2.4 4.0 2.3 2.4 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0 2.0	204 Fleming Bereautle, 9 224 + 3 57, 34, 283, 815, 3 00 9 Fleming Bereautle, 9 224 + 3 57, 34, 283, 815, 3 00 9 Fleming Bereautle, 9 224 + 3 57, 34, 283, 815, 3 00 9 Fleming Bereautle, 9 228 + 5 57, 34, 283, 132, 150 150 150 150 150 150 150 150 150 150	Teas 160 120 Moran 10p. 135 1.0 1.0 4.1 5.58 morran 16m, v 1.4 - 8.4 1650 1325 W
85 66 Acts Group 10s. v. 67 1.0 4.6 1.9 12.8 10.1 15th ambert tith. 20s. v. 185 10.0 2.3 7.2 7.7 2.4 12.2 12.5 holdson Counts 15 s. 8 25 1.5 1.0 1.3 2.3 12.8 14.0 12.3 12.8 12.8 12.8 12.8 12.8 12.8 12.8 12.8	2200. Warrants v 38 +1 10.75 0.9 115.2 2.7 193 104 Flextech 10p v 188 90.75 9.0 0.6 26.8 107 Lextenore European. v 192 +2 1030.5c 1 2.7 418 273 rost Group. a 415 +5 415.0 1.8 4.2 16.6 25 146 FG g 14 0.22 13.9 21 3.4 36.5 10.0 Zero Div Pf v 68 +2 10.0 20 13.8 42 10.5 10.0 Zero Div Pf v 189 2070.0. Warrants 257 1070.0 Capra Div Pf v 189 2070.0 Warrants 257 1070.0 Capra Div Pf v 182 23.138.6 25 160.0 Writts 257 100.0 Georgian in the 182 23.138.6 25 160.0 Writts 267 250.0 Zero Div Pf v 182 23.138.6 25 160.0 Writts 267 250.0 Zero Div Pf v 182 23.138.6 25 160.0 Writts 267 250.0 Zero Div Pf v 182 25.0 3.6 25.0 160.0 Writts 267 250.0 Zero Div Pf v 182 25.0 3.6 25.0 160.0 Writts 267 250.0 Zero Div Pf v 182 25.0 3.6 25.0 160.0 Writts 267 250.0 Zero Div Pf v 182 25.0 3.6 25.0 160.0 Writts 267 250.0 Zero Div Pf v 182 25.0 3.6 25.0 160.0 Writts 267 250.0 Zero Div Pf v 182 250.	48 255immer & Jack 2c. 48 Q40c 0.7 7.6 Stock Exchange dealing classifications are indicated to the right of security names: a Alpha, B 8eta, y Gamma. Inless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and convers and economics and, where 34 Jack 190c 196East Daga Ri. 228 2 196East Daga Ri. 22
46 338 or ford Hidgs 19 v 39 0.65 1.7 22 34.2 vi 65 00 Barkov Rand 10c 569 - 20 01.70 3.11 7.7 4.2 20 1.18 90 ClA Group 5p v 181 12.5 4 3.3 4 1.7 2.3 34.2 vi 65 00 Feb. P. 12.6 5 04.2 2.3 14.7 3.0 207 1.8 90 Rev Geb Pro 25c 94 1.0 390 Rev Geb Pro 25c 94 1	12- 12-	133 680 iCimos R1 731 48 10300 16 9.7 "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT, Ylekk are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow 172 40 visits order of 25 per cent and allow 172 40 visits order of exclared distribution and rights. 172 45 visits order of exclared distribution and rights. 172 45 visits order of exclared distribution and rights. 172 45 visits or exclusion stars prices. 172 45 visits order of exclared distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including extension, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including extension, this compares gross dividend costs to profit after taxation, excluding extension, this compares gross dividend costs to profit after taxation, excluding extension or profit after taxation, excluding extension, this compares gross dividend costs to profit after taxation, excluding extension, excluding extension, visits risk to adjusted to ACT of 25 per cent and allow 100 or profit after taxation, excluding extension or extending extensions, this compares gross dividend costs to profit after taxation, excluding extension or extending extensions, this compares gross dividend costs to profit after taxation, excluding extension extending extensions, this compares gross dividend costs to profit after taxation, excluding extension or extension extending extensions, this compares gross dividend costs to profit after taxation, excluding extension extending extension or extension or extension or extension or extension extension extension extension extension extensio
267 1079 Count Common 10p v 1409 +2 1.9 3.4 4.6 11.1 11.1 11.1 11.1 11.1 11.1 11.	638-roy friars (m y 63	279 247 258 279
258 States 10. V 257	69 Lores Inc. 10p. y 76	105 52Zandgan 10c
444 367Lone Group 100 # 448	588 erraged 0pt 7g. vj 664. — 74.211.0 283 2488 ladied ten 5.10p. # 278 17.5 1.0 3.6 33.9 9 78 lad are voir to 1st. vj 80. a86.38.10.6 — 51.73 86.1 ladazca #4 Pt 1c. 91.9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Diamond and Platinum Li75 £110kage Am. Im. 50c
233 1965: hes 10p	300 300	Central African 2d BiFalcon Z50c
121 92 FVTR 59	508.0. Warrants	135 11 lang. Am. Coal 50c 124 0385c 22 7. 1 dividend and yield after pending scrip and/or rights Issue. H 273 144 langle Amer. 10c. 1544 4.7 for 1989. K Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates annual earnings. M Dividend and 28 language armings. M Dividend and 29 language armings
73 6/9 many sacron-lemma by 73 -2 43.3 3.2 18 2.9 523 11 1935 inflamma/cartication for the first fine from	Billew Zealand low v St.d. 6.0 9.9 81.2 0.9 153 137 Somit 100n v 138 52 13 3.0 19.4 23 137 Somit 100n v 231 -2 13.5 19.4 2407 819.1 1260 Warrants v 260. Warrants v 260 v 27 13.5 13.5 13.5 13.5 13.5 13.5 13.5 13.5	165 175 185
95 638 ar forms 100	35Parfix Nortan Is 10. 37	For Acon Securities see Indonesian Diamond 1 by Marto-West 20c. 13 1 0.5 6.4 2.4 107
227 Experimental Gpt. 5p. y 116 5.7 3.0 6.8 6.9 55 400 com Wiss. 20p. y 46 +1 2.79 5.3 8.0 2.5 (154 com 2) 430 3088 ritish Land a 3174 5.29 2.6 2.2 22.5 6.3 6.3 6.0 e 50 -8 29.5 2.0 6.1 10.4 19.3 (154 com 2) 10.4 4.0 5.0 c 6.0 c	Mistrigate & Iss. Cap. W 315 (6.89 2 6) 372 818.1 171 12/	22 22 22 23 24 27 27 27 27 27 27 27
130 140 150 160	### 190.240.7 141. ##################################	1 Sylv or say to NL. 2 1.9 Boots. 24 Uniferror 56 1.5
91	130 131 142 143 144 145	11 Wilsongo Astralia Sit. 12 - -
97 7500, 74 pc Pf 77 77 77 77 77 77 77	7 Six 8 Rent A Su. y 90. 34. 3.36 1.68.812.6 174. Coastal Cm 90.33 175. 44. 225.76 0.8 - 2.85.01. Mart. A Su. y 148. 3.36 3.0 168.812.6 175. 89 Coastal Cm 90.33 175. 44. 225.76 0.8 - 174. 107. 410.77 108.945.8 175. 200. 175. 2	7 Pelsart Res. 14 14 15 15 15 15 15 15
162 129Egerban (ros. 16. 16. 16. 16. 16. 16. 16. 16. 16. 16	7/Schee (m. 30) § 218d 16.730 2230.7151 (31 \ £25 \ £200) § 27 d 652 20 4.9 4.9 4.9 0.112 (32 20 0.13 10.2 10.2 10.2 10.2 10.2 10.2 10.2 10.2	71:2 I Westalian Re Pro. 20:

		<u>o nema o promo o o o</u> Cemano			EL Min Ap Vol	Eld Offer Au	Wild the to Visit	Bid Office + or Yield
	Touche Reconnect Unit Tat Mont List Count. The County County Dear Tat Mont List County. The County County Dear Tat Mont County County County Dear Tat County County Dear Tat County County Dear Tat County D	Althoy Life Restrance Co List — Could. High Res. Sept. 4	Vicid Bas With + ar Yield Creek Price - Frice - Greek Black Horse Life Acc. Co Life - Contd. - Cond Bar Gwol Fet	Feb	From Price - Grant Grant Managers Let-Control GT Pin Ur&& 1, 1761. 3761.	Hill Samuel Life Assur, Ltd.—Cooks, ladand Ser, Fd	London Life = Contd. 128.4 +1.5 -	Merchant Investors Assurance Ca Ltd — Contil. Bit Hei Priss Res Prop. 110.4 40.4 — Mi Clein Sen Error Inc. 110.4 40.4 —
	TO Operate Service 3 - 1 - 2 - 3 - 3 - 4 - 4 - 4 - 5 - 5 - 5 - 5 - 5 - 5 - 5	het Ser. 4 116.5 121.6 +65.2	Final interest F4 220.11 221.17 +0.09 -0.09 -0.01 -1 220.01 223.17 +0.09 -0.01 -1 220.01 223.17 +0.09 -0.01 -1 220.01 223.17 +0.09 -0.00 -0.	Unity Pestions Fourth Managerit	GT Pee N Am Fd. 2000 255.8 -1 GT Per Werkhelder H. 510.5 537.4 -0.5 GT Per Werkhelder H. 322.5 402.7 -1 Prices for Account Units only	Son. Sili Final 372.1 903.9 UJ Mangel Crop. Fami. 206.0 228.0 UJ Japan Tech. 206.5 282.1 UJ Glabal Bool Fami. 125.5 192.0 UJ US Synalfer Cry. 123.8 193.1 UJ	- Property 07 2072 40.4	### Circle San Extra inst. ### Circle San Extra inst. ### Circle San Extra inst. ### Circle San Circle Circle ### Circle San Circle ### Circle San Cancer ### Circle San Sarin Con. ### Circle San Extragration ### Circle San Extragration ### Circle San Extragration #### Circle San Extragration #### Circle San Extragration #### Circle San Extragration #### Circle San Extragration ####################################
	TRANSFER Cont. 6 27.82 29.20 30.45 430 0	270.7 283.0 -1	Call Pier Fd. 128.09 155.78 +0.15 Tit Leafuy Pee Fd. 130.22 137.68 +0.044 Tit Leafuy Pee Fd. 130.22 137.68 +0.044 Exception Pee Fd. 159.44 167.64 +0.25 Fin Each Pee Fd. 110.66 116.49 +0.25 Extend Feet Feet 110.66 116.49 +0.25 Extend Feet 110.66 116.49 +0.25 Extend Feet 110.66 116.49 +0.25	Surrey KT1 29A. Managed Fael Charl	2 Rospier Street, York Y01 1HR 9006 62895 Marroged. 156.6 166.8 -8.6 - UK Egetty. 203.6 214.2 -0.8 Fined Interest. 129.7 136.5 -0.3 Interest. 129.7 136.5 -0.3	Property Acc. 557.2 586.6 b) Property Sep . 257.4 286.9 c) Property Sep . 257.4 286.9 c) Property Sep . 195.2 265.5 c) Property Sep . 195.2 c) Propert	Property 64. 128.4 151.0 ————————————————————————————————————	Bit State Sen Am Scall Cos. 126.5 0 40.1 1 126.1 1 40.6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	110 etters 1874 — 5 30.15 36.65 38.85 4022 0 110 etters 1874 — 5 30.15 36.65 38.85 4022 0 112 etters 1874 — 6 30.54 30.95 32.80 -0.01 0 112 etters 1874 — 6 30.54 30.95 32.80 -0.01 0 113 etters 1870 + 12.62 12.22 0.00 -0.01 0 114 etters 1870 + 12.62 12.22 0.00 +0.01 0 115 etters 1870 + 12.62 12.22 0.00 +0.01 0 115 contact 5 contil, 6 20.21 20.22 31.40 -0.01 0 115 section 0.00 -6 10.57 10.77 19 00.00 0 115 section 0.00 -6 10.57 10.77 19 00.00 0 115 section 0.00 -6 10.57 10.77 10.78 10.00 0 115 section 0.00 -6 10.50 10.00 0 115 section 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	Acusta Life Assurance List	Salianda ida id	St Heier's, 1 lindershaft, London ECS 071-283 7500	Cosh Degests	Managed Ser A 255 1 267.5 (c) Managed Ser B 117.4 125.7 (c) Managed Ser G 192.7 (2) Managed Ser G 192.7 (2)	Landon & Manchester Group Wheslade Pt, Exert EDS 1DS Acc. Line Control of the Con	ist Lieb Sep 501 receivery - 187.0
and the first state of the stat	Twiene Suster 5121.06 52.55 54.51-126 0 Tracks Union Unit 15 thems (120014) BA Tours, Addisonate Read, Cromo 061.68.4935 Titlus Fd Wings, Ltd. (100024) Ropel Lda. He. Coldester (101.184 1206.74400 Tritus Fd Wings, Ltd. (100024) Ropel Lda. He. Coldester (101.184 1206.74400 Tritus Georal 54.186.5 172.1 183.110.002.32 Tymidal! Unit Tat Mingrs Lift (16003) ZSR Machally Unit 15 Mingrs 16.00 ZSR Mingrs 16.00	World Growth	1933 193 West Course CC 29A	Vesture Macaged 175.8 132.5 40.4 - 175.8 132.5 40.5 40.5 40.5 40.5 40.5 40.5 40.5 40	Facility 1973 - 0.8 Conservation	Constructed Con. 245.7 255.7 US Constructed Ser A. 177.2 USD 3 USD 3 Constructed Ser R. 177.2 USD 3 USD 3 Constructed Ser R. 177.2 USD 3 USD 3 Constructed Ser R. 178.9 145.4 USD 3 Engley Act. 750.9 760.5 USD 3 Engley Ser A. 264.8 257.8 USD 3 Engley Ser R. 1711.6 177.5 USD 3 Engley Ser R. 1711.6 177.5 USD 3 Engley Ser R. 1711.6 USD 3 Engley Ser R. 1711.6 USD 3 Engley Ser R. 1711.6 USD 3 Engley Ser C. 1700.5 USD 3 Engley Ser	Improved Frant Feld. 478.0 559.6 40.2 [753.3 575.6 575.2	Mil Mor Grea Am Cith 109.3 -0.2 -0
	Trition General54 18695 172.1 183 160 605 32 Trition Unit Tal Magne Lini (16600)* 25 Backletters, Lender E040 Astra Valence3 4 605 60 65 62 64 60 57 67 British Lion3 4 605 60 60 60 60 60 60 60 60 60 60 60 60 60	Proprietation 128,7 136,5 -0.5	Life Franks UK Equity	Final Interest 125.5 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 - 132.2 -0.5 -0.5 - 132.2 -0.5 -0.	ren river in Act	Fixed int Ser A	- Menting with Profession 103.9 103.9 103.9 103.1 40.5 - 103.0 103.0 103.1 40.5 - 103.0 10	681 Per Income
	Capital Defeador5 35.49 \$5.49 \$1.43 \$0.34 \$1.25 \$2.40 \$1.25 \$1	Pen DF Gunly 282.9 364.1 98.1 98.1 98.1 98.1 98.1 98.1 98.1 98	international Equity 25.1.1 275.3	U/T Ears Gth Fd. 144.8 177.7 41.5 - U/T Far East Gth Fd. 144.9 132.6 40.4 - U/T Windle Bd Fd. 96.3 101.4 Prima Series-Postless (eq. 1 8.3 2.6 2.7 6)	Per Mil-Stare Tractor	Interest Seas Acc. 158,0 146,4 25 146,4 25 146,4 25 146,5 122 2 2 2 2 2 2 2 2	- Extract Funds Folia	MI YSB Selected (open.) I M2-9 +0.21 - Bid Prices (hit). Offer prices where applicable approx 5% higher. Missener Life Assertance Co Life
The same of the sa	Type Access 18:	AEIng Life Insurance Co Lid 2-12 Pentesolite St., Leelon M. 903 6800 621 Life Funds (Accommissing Gallet) 74 601 40 621	Causda Life Group 1575 Higs S. Petters Bar, Herts, ENb 58A 0707 51122 - Besty Std. Agr 22 - 209.2 Reference, May 8	Fhad interest173.1 182.3 -0.3 -	Gereral Portfolio Hoss, Rariou, Essar G279426266 Life Funds Gard S44.9 544.9 40.1 - Portfolio Inc. A. 544.9 577.6 40.1 - 194.5 577.6 40.1 - 194.5 577.6 40.1 - Seatlier Companies 172.7 181.9 40.6 - For Lasers 26.6 298.6 -0.4 -0.5 - European 191.3 201.4 40.5 - Horrh Asserican 126.3 133.1 -0.3 -0.5 -	ied, Ser A. 228,4 229,9 ind. Ser B. 117,6 123,2 ind. Ser B. 117,6 123,2 ind. Ser B. 117,6 123,2 ind. Ser B. 118,4 126,7 ind. Ser B. 118,4 126,7 ind. Ser B. 118,0 ind. Ser B.	- Ezempt Iru	33 Kine William St, London ECAR 945 071-280 2800 Fortfello
in a factor of the second	1 White Sart Yard, London Bridge, SET 071-407-5946 Advisors: Headeront Crestivania; Ltd Frian Ste Cap	SIGNED AND SECTION OF THE PERSON OF THE PERS	Hamped Pen Fund	Investment 13. 200.7 217.0 40.5 - 200.7 217.0 40.5 - 200.7 217.0 40.5 - 200.7 217.0 40.5 - 200.7 2	Gilt Pies	For East Ser C	- Weights Read, Cheinston, CMI - FERSING - CAS - CASASA - Anner Souri (Acc)	UK income. 94.8 52.4
	Unicarnitice, 252 Remined Rd, E7 1051-534 5544 United Charities 5 1050 0 196-se 210.01-0 55.04 Wardley Unit 13t Marges Ltd (13009) 1 5 Reptor Exchange Sey, Londor E14 961 071-265-505 Americas 4 156-56 66 66 66 66 17 131-96 (115 68 560 (150 150 150 150 150 150 150 150 150 150	Index United 11.05 11.62 -0.04 For Eastern 11.65 11.27 +0.03 UK Guity 12.13 12.77 +0.01 Foul Interest 10.05 11.40 -0.05 Glis Equal (39) 94.3 18.14 -0.05	Editor Per Paus Fd	Harry Fd (A&B) Jame 6. 185.0 195.0 — Property (&&B) Jame 6. 254.0 267.5	Dt. Managed	State Core Ser L	For Former Boatshoot I and 1 20161	Midiand Life Limited Norwich Hse, Commercial Rd, Southwester00703 229929
	August Growth 51, 279 5 219 9 221 1030 122 1030 122 123 123 123 123 123 123 123 123 123	1982 Street 1987 82 281 92 40.65 1986 1987 92 1987 92 1987 93 19	Elit & F.J. Pess Fd	100 100	Perpetral 145.8 151.5 40.3 Fiscilla 145.6 151.5 40.3 Fiscilla 145.6 150.5 40.1 60.1 60.1 60.1 60.1 60.1 60.1 60.1 6	155.mailler Ca's Ser G. 148.9 135.8 25 160.5	- Infor-Linial (Editation). 158.5 159.2 +0.8 Informal Bord (Acct	Accession of Fa. 200 500 600 601 601 600 600 600 600 600 600 6
	Waverley Unit Tel Magnet 11st (1000)F 13 Charleste Sci Ediopera 031-2251551	Trus-192 Series 190.66 151.23 -0.59 Trus-192 Series 20.66 400.67 +0.68 Series 20.66 400.67 +0.68 Series 20.66 400.67 +0.68 Series 20.67 +0.65 -0.57 Series 20.64 20.95 +0.85 Series 20.64 20.85 +0.85	Managed	Criterion Assurance Group Sean Corr, Petersfield, Hants Ulicaste Mong Fand. 224.3 236.1 -2.9 - Criterion Mings Fand. 220.6 232.2 -0.8 - Pession Mings Acc. 107.3 9.18 -0.4 -	UK Consertible. 11-6.6 123-31 - 0-22 - Pensing Famile. 34.3 9 283.1 - 10.5 9 12.1 - 10	Hosseswaters Friendly Society PO Box 94, Springfield Am, Harmonte, 0425 567 H75 Managed Fd 1 1294.0 1035 H75 Managed Fd 3 1297.4 134.1 1171 H75 Hamaged Fd 3 1297.7 135.5 1171 H75 Hamaged Fd 5 1297.7 136.5 1171 H75 Managed Fd 5 1297.7 1367.1 1171 H75 Managed Fd 5 1297.7 1367.1 1171 H75 Managed Fd 1 1297.0 1297.1 1171 H75 Managed Fd 1 1297.0 1297.1 129	Managed Boat (Acc). 972.2 627.9 49.4	NEL. Britannia Assoc Co Lind Militon Court, Dorking, Surrey Capital Growth
E service and the service and	Partiti Bands 62930 2930 31.17 - 4650.40 Can Baland Garti 6 . 6 . 44.69 44.69 7. 120.16.17 0. 16 Global Boot 4 43.884 0.469 1.0009 1.407 2. 16.17 0. 16 Global Boot 5 45.884 0.469 1.0009 1.407 2. 16 WESSER 8	September 17.65 12.7 55 40.92 September 17.65 18.37 -0.01 Ded 22.00 22.16 40.02 Bed 19.30 20.32 40.05 See 18.42 19.40 40.05	Minimal Managed 294.4 257.3 -0.1	Active Sites Fd Life	Pen Sidrikg. 135.7 193.5 40.2 Pen Sidrikg. 135.7 193.5 40.2 Pen Pen Index - Liabed Gitt. 144.9 152.4 - 4.5 Pen Index - Liabed Gitt. 144.9 152.4 - 4.5 Pen Index - Liabed Gitt. 144.9 152.4 - 4.5 Pen Index - Liabed Gitt. 144.9 152.4 - 4.5 Pen Index - 144.9 152.4 - 4.5 Pen Index - 147.6 147.6 140.2	Inlead Instantance Co Ltd. Hoor Green Lane, Streetsplass B13-8NG, 4221-449- Managed Fel. 118-7 124-7	Europeia (Acc)	Mantencian. Manuscel Bide Soc
The company of the control of the co	2 Honry Lane, London EC29 (8)7 C71-606-3132 Challenge 4 F. 25, 42-37 42-37 46-06-351,60 Surt Did City F. 24, 83-96-33-96-35,10 2-39 U. Senne Study F. 14, 83-96-33-96-35,10 2-39 William Flancetal Sarriage Lind (0905)F 70 Bet 515, & Brendente Lindon EC2 (071-588-79)1	Deposit 14.57 10.02	High Income	For closed Faul offs prices ring 0730 43251. Crown Financial Management 1.5d Count Re, Woking GUZ1 IXW 0483 715033 Life Fauls American Act. 91.4 96.2 -0.4 0 Equity Act. 96.1.0 99.0 -1.1 0	Pes Personal	149-151 (High Rd, Charbert Pith 1886 69-1821-597 Mignayed Frind	ist inc (Acc) 187 3 194.8 40.4 - 1940 (Acc) 275.0 288.8 40.4 - 275.0 288.8 40.4 - 275.0 288.8 40.5 - 275.0 288.8 40.5 - 275.0 288.8 40.5 - 275.5 40.5 - 275.5 40.5 - 275.5 40.5 - 275.5 40.5 - 275.5 40.5 40.5 40.7 - 275.5 40.5 40.7 - 275.5 4	New Era Proidents Meg Gilt Edger Fd. 113,9 111,9 40.2 - Negd Bid Edger Fd. 1250,0 1251,0 Negd Bidg Soc Fd. 1250,0 1251,0 Negd Carressy Fd. 131,1 131,4 Half Carressy Fd. 131,1 131,4 Half Birt Height Pfaits 132,5 132,5 46,1 Barbags Meg F felite 1311,6 111,6 40,2
	Aust Frians Wester 51186.0. 1913-2015.1	Florid interest. 12.26 12.91 -0.04 GRE Edges 05% 10.25 10.66 -0.05 1923 totals 1287.44 302.57 40.66 Pre 1922 Seeks 1287.44 302.57 40.66 1287.44 1287.45 1287	- Gift	European Acc. 2313 213 213 215 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	Per If chief Magd Carv. 199.9 113.9 48.2 Per Servar loary 165.5 154.3 48.2 Per Servar loary 115.9 122.0 46.6 Per Servar loary 115.9 122.0 46.6 Per Servar loary 115.9 122.0 46.5 Per Servar loary 115.9 122.0 46.5 Per Servar loary 169.5 Per Servar loary 1	Gaintai Prey Ser 3	UK Become Occo	Fidelity Mad P Follo 121.5 121.5
	Growth Act 577.10 72.70 82.18 2.49 [Growth Act 577.10 77.10 82.18 2.49 [Growth Act 577.10 77.10 82.18 2.49 [Growth Act 578.14 81.3] 4.88 [Property Share 541.42 41.42 44.15 4.27 [Growth Act 578.18] 51.25 [Growth Act 578.18] 51.	Action Life 5 War	- Japan - 1825 193.1 43.20 - Heritage Property - 73.90 78.20 40.20 - Int. Currency Bond - 100.7 106.6 40.40 - 2.40 Surface Property - 766.4 811.0 45.90 - High Income - 562.2 594.9 42.60 - Strategic Poss - 98.90 104.7	Managed Acc. 12814 2435 4011 -	Assicurazioni GENERALI SpA 117 Festhurch St., Lungon ECSM 50Y 671-488 0733 Nanion Generali Phys. 144.2 151.6	Universal Security	North American Acc. 178.7 188.2 -0.7 - Partiff Basin Acc. 373.0 992.7 -0.7 - Fined Interest Acc. 259.5 273.2 -1.0 - Proposit Acc. 259.5 273.2 -1.0 - Deposit Acc. 157.4 165.7 40.2 - Manusof Acc. 250.2 265.4 -0.1 - Isl Espirit Acc. 118.7 118.6 -0.2 -	Same Section
	State	Britis Equity. 76.18 98.13 +0.10 Workshife Equity. 90.18 92.13 +0.15 Properly Starred. 80.11 82.75 +0.34 Afformy Life Assurance Co Ltd. 3 Barba Lam. Petters Bar Ellé JAJ 9707 42	- Property 406.1 493.2 -1.7 Managed 2 148.4 157.1 40.50 Managed 516.2 546.2 42.00 Managed 1 109.8 179.7 +1.00 Dopoid 577.4 90.4 40.70 Gill 322.2 341.0 40.60 - 511 American 538.1 586.4 44.21.0 -	Derugad	Kushins Righ Income. 120.6 190.2 https://doi.org/10.100/10.100/10.100.100.100.100.100.10	Inherest Pathle	Bonus Gerth Fol Act. 122.8 130.4 +0.1 - Evropeon Acc. 100.1 106.5 +0.2 - Pents Franch Acc. 287.1 302.3 +0.9 - Pents Sper. Sits. Acc. 198.1 289.6 +0.4 - Pents Sper. Sits. Acc. 198.1 289.6 +0.4 - Pents Full American Acc. 211.1 222.6 - Pents Page Res. 465.5 +40.0 -1.2 -	Linda Lines Pr Migd 1271.2 127.2 12.2 12.2 12.2 12.2 1
7 (4) 7 (4) (7) (4) (4) (4) (4) (4) (4) (4)	Westly dealing day Tacstoy The Yorkshire Unit Tst Wingers Ltd (11.880)F Woodsome Ph. Forum didge. Medicardield 0484 602250 Yorkshire General 3-4 157.27 57.27m 62.24 14.003.88 WITH NE Giglia 1st 9, 62.78 62.78 67.49 61.17 5.04 YOTH Mail Sent 1st 0.54 151.32 53.32 56.861-0158.15	Like Practic Bir Blac Cibe Pri Accid. 154.5 162.6 Spaity Fd Accid. 1549.6 1157.4 Spaity Fd Accid. 200.4 221.4 Little Like Fd Accid. 200.4 221.4 Little Like Fd Accid. 348.4 366.7 Grid Moore Fd Accid. 356.0 271.5 Li	international library 307.8 325.7 +1.60 - index 153.7 182.6 +0.30 - Fix East 382.8 495.1 +1.70 - Global 111.5 118.0 -0.2 - Global 111.5 118.0 -0.2 - Index 155.7 159.5 40.55 - Januar 122.6 225.0 +4.30 - Index 122.6 225.0 +4.30 - Index 122.6 123.0 +0.30 - Index 122.9 +0.20 - Index.	Group Pleaster Pleastor 114.5 118.6 -0.6 -	General In Mgs Peis. 226, 7 238, 7 Central Cest. 142,8 150,4 — Greshern Unit Assarrance Ltd. 2-6 Prince of Water Rd, Bournamouth 0202752000 Breston Series III Salanced Fam. 110,6 116,5 — —	Gills Edged Pan. Ser. 2. 457.0 431.1 Property Pan. Ser. 2. 274.8 293.3 Cash Pension Series 2. 274.8 293.3 Scattly little Pen Ser 3. 126.1 132.7 Ball Man Pan Ser 3. 126.1 132.7 Dop Man Pen Ser 3. 129.2 129.7 UK Eanby Pen Ser 3. 127.2 129.7 Cash Pen Ser 3. 127.2 129.7 Cash Pen Ser 3. 127.9 7 754.8 1	Pess, Pess as, Act. 32A3 92A 40.1 - Pess, Property Act. 278.1 292.8 40.1 - Pess, Deposit Acz. 278.1 292.8 40.1 - Pess, Banaged Acc. 315.4 312.0 40.2 - Pess Earlie Equity Acc. 114.0 120.0 -0.3 - Pess Earlie Acc. 110.1 107.2 40.3 -	Miniticipates Funds MMM Bart Mega Priote. 105.7 111.3 -1.2 - De. Account 12 May Priote. 113.8 140.8 -0.7 - Regal To Mag Priote. 113.8 14.9 4 -1.6 - Recogno Mag Priote. 113.4 119.4 - De Account 14.9 14.4 4.7 - De Account 14.9 14.4 4.7 - De Account 14.9 14.4 4.7 - De Account 14.1 9 14.4
	OTHER UK UNIT TRUSTS	Gai Manay Fri Accid 258.0 271.5	- Intl Carrency Bond	Mines	Empean Growth 192.8 198.4 40.2 Fargle Ist 199.4 199.4 199.4 199.2 199.4	led Egatic Pes Sc 3	Account Nationa 1709 2 109 21 40 51 -	Perpitati Mingd Photo. 101.7 107 -1.6 -1.5 - De. Actom. 128.8 135.6 -1.5 - Gartunore Mingd Fund. 191.1 194.3 -2.1 - Do. Actom. 125.4 132 -2.1 - Du. Actom. 122 128.4 +3 - Do. Actom. 134.5 162.6 +4.5 - Cash Fund. 1312 117 9 -0.4 -
San - Common Common	Cort. Rd. of Fla. of Charch of England); 2 Fore Street, Landon E727 540. 077-588 1815 for Fand May 31	UK Megro 110.2 115.9 18th Austrian File Austrian File Austrian File Austrian File Austrian File File File File File File File File	Citicorp British National Penyspean Road, Haysen's Head Managed 259.2 272.9 International 294.6 310.3 Property 294.6 32.9	197.8 376.6 45.8 - FC Coronet	100.00 274.3 40.2 -0.5	Managed Fund 248.5 259.5 -1.1 UK Egalty 466.1 427.5 4.0 Property 283.8 296.8 Monty Market 194.8 265.1 40.2 Fixed lett. 227.6 -259.6 -0.6 Japan 259.6 940.0 -0.7	Pets Act Equity 228.0 241.0 41 - Pets Act Regulty 228.0 241.0 41 - Pets Act Regulty 255.5 269.5 41 - Pets Act Red. 255.5 269.5 41 - Pets Act Deposit. 127.0 186.5 - Pets Act Deposit. 127.0 186.5 - Pets Act Deposit. 127.0 255.5 - For other prices please call free: 0600 521546	Do. Accam
	33 Kmg William Street, EDAR WS 971-2002 2000 Close inc. June 27 151.3 135.1 int 10.57 Close Act. June 27 659,9 707.Aut. 10.57 Close loc. June 27 151.9 156, eart 40,90 3.52 Close Act. June 27 154.9 152.3 int .0.90 3.52 CAFTINVEST-Charities Aid Foundation	Brit Star Chip Annth. 174.8 183.9 - Ep Pen Fd Annth 1783.5 229.4 - Enn Fd Annth 418.1 440.1 - Flord Int. Ann. 176.7 - Ct. Monay Pn Annth 184.5 177.5 - High Interest 184.5 177.5 - High Interest - 184.5 1	- E491 50.6 52.7 10.7	Performance Ples. 111.5 116.6	Zeptia 493.4 90.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -	Morth America 111.6 117.5 -0.8	Manchester Unity Assurance - 40 Fountain Street, Manchester M2 248 661 832 9361 - Fault Interest	NM Life Assurance Ltd Enterprise House, Portsmooth American
	8 Persbary Rt, Technique 119 2.10	Init Man Feltz 620.6 663.7 1.0 663.7 1.0 620.0 446.2 1.0 620.0 446.2 1.0 620.0 446.2 1.0 620.0	- Russings Series 2 27.3 270.5	Grail Prip Ser 2 158.3 1675.4 40.1 - Fuel Interest 111.9 118.4 40.1 - Grail Interest 112.3 122.4 - Grail Interest 117.2 122.4	lagan & Gest. 277.8 257.4 -1.8 -1.8 - 257.4 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8 -1.8	Property 178.3 187.7 40.2 Money Namies 179.2 188.7 40.2 Money Namies 180.3 187.8 40.2 UK Egetky 277.1 286.5 11.0 North America 198.3 11.4 0 -0.8 North America 178.9 188.2 -0.3 198.8 178.9 188.2 -0.3 198.8 178.9 188.2 -0.3	Equity 1103 116.2 - From Selection 93.9 107.0 - From Selection 93.9 107.0 - From Selection 111.7 117.7 - From Selection 1106.7 112.4 - From Selection 1106.7	Constitute
্নি বিশ্বস্থার এবা ইফান্ডের্ডি বিশ্ব ন্যা	Frank Cook	18 Am Pa, Fel Acetz)	- Property Peet Cap. 1949 9 205.1 Property Peet Cap. 1949 9 205.1 Egypty Peet Cap. 1949 9 228.3 Egypty Peet Cap. 315.8 382.4 Egypty Peet Cap. 202.2 204.5 Egypty Peet Cap. 160.5 168.9 Egypty Peet Cap. 160.5 168.9	Fixed 102.7 108.1 — History 116.1 122.2 — 1 — History 116.9 123.0 +1.0 — History 123.1 123.6 — 123.1 1	See Impres	Fay Est. 6. 774.6 778.6 40.1 Laucashire & Yerkshire Assac Society Moorate Hall, Moorate M, Internant G79-62.6 Caskal Sector. 210.32 21.447 Ballece Portfolio 198.01 140.75 Juli Ballece 107.12 103.18 Internation 107.22 111.6	Managed Ser 1 & 2 524.1 551.7 Managed Ser 3 97.1 102.2 Managed Ser 3 99.4 104.6 Egylty Ser 1 & 2 638.3 671.9 Egylty Ser 3 98.3 103.5 Egylty Ser 3 98.3 103.5 Egylty Ser 3 98.3 103.5	Scane Scan
	American Jero 29	Allied Dumbar Assurance Pic Allied Dumbar Cr., Swindon SHI 1EL 0793 514 Life Pauls [vacillation Acc	Fixed in Pens Account 219.4 231.0 Fixed in Pens Cap 138.1 145.3 - Applian Fixed 106.5 112.1 - 514 Contraction Fund 89.7	With Froft. 114.1 120.1 Library Pers Pris 22. 414.44 422.71 Library Pers Pris 22. 414.44 422.71 Library Pers Pris 22. 414.44 422.71 Library Pers Pris 24.44 Asses Anima Life Annes Eagle Star Insurance Co Lid Such Road, Orelection, GL33.71.0 0042.271.311	10.8 10.8 10.7 10.8 10.7	Investor	- Silt Edgel Ser 3	Smaller Companies
	Arm Exempt. June 26. 5229.71 (26.24)	Preprit Acc. 491.0 516.9 +0.2 Far East Acc. 294.2 215.2 -2.4 European Acc. 29.1 29.5 +0.2 Wasseyd Cap. 394.3 420.4 -2.1 Wasseyd Cap. 394.3 420.4 -2.1 Wasseyd Acc. 721.8 761.6 -2.2 O'suite European Acc. 699.6 673.3 -2 698.5 Educat Acc. 197.5 673.3 -2 698.5 Educat Acc. 197.5 673.3 -2	Cigne Street Hill, London ECLR 5AE Life Fault Far Exert Street 48.1 For Exert S	Score Find. 170.0 179.0 40.1 9 Performance Fund. 189.9 199.9 -0.4 - Performance Fund. 189.9 199.9 -0.4 - Persions Score. 140.4 147.8 -0.2 0 Pensions Score. 140.4 147.8 -0.2 0 Pensions Score. 122.4 149.9 -0.1 - Pensions Fund. 122.1 154.1 -0.2 -	merminal Greto 362 4 381 9 -0.9 -1 spar & Georal 275 2 200.0 40.3 -1 series / 369.4 399.3 -1 series /	High Yield Ser 3 Acc. 666.5 658.3 -0.6 GR-Edge Ser 3 Acc. 285.6 300.6 -0.5 Houry Ser 3 Acc. 285.6 300.6 -0.2 Houry Ser 3 Acc. 300.9 300.9 -0.3 UK Guelly Acc. 310.6 323.3 -0.1 Japan Acc. 183.9 193.6 40.9 Judge Link Çilk Acc. 183.9 193.6 40.9 Judge Link Çilk Acc. 187.1 143.3 -0.3	Masorpel lait.	Pem Americai
	Foreign & Colonial Pers May 1 1266	Posset Greining Acc	World Growth		High Yield 571.8 999.2 +1.1 - Hassynd 628.3 62.1 +1.0 - Hosey 297.4 273.1 40.7 - Property 334.9 - 352.9 -1.8 - Growth & Sec. Life Assec. Soc. List Hill Grees Rd, Rayward; Ho, W. Sosse. , 0444 413307	Henderson Act. 170.6 279.6 403.	Do. Access Co.	Pers Francisco (1985) 936.7 326.5 4 -11 - Pers Interies (1986) 936.7 306.1 40.3 - Pers International (1985) 936.6 40.1 - Pers Japan Sellir Cos. 839.0 863.1 - Pers Managet (1986) 1577.6 435 Pers Persery (1986) 406.3 426.6 40.6 -
a o se regi	European Int. June 25. 122.0 131.7 40.7 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 1.87 5. 10.5 41.0 5. 10.5 41.0 1.87 5. 10.5 51.0 50.1 -0.4 2.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1	Free East Acc. 23.9 25.2 40.1 European Acc. 23.9 25.2 40.3 Managed Acc. 24.4 26.3 40.6 Overside Acc. 24.9 26.3 50 Gentle Acc. 24.4 26.3 50 Acc. 25.6 24.9 40.1 Acc. 25.6 24.9 Acc. 25.0 Acc.	- City of Westminster Assurance (2) - PO 8as 469, 500 Auctory 84s, Allicon Keynes MK9 2018 - Demant Senies - Property Fund	Managed 120.0 126.4	Perible France	Pers Git Edge Act. 125.8 104.0 -0.7 Pers Index Limit Act. 104.8 1-0.2 -0.5 Pers Index Limit Act. 104.5 106.9 -0.5 Pers IN Egenty Mic Act. 330.5 704.9 -0.1 Pers Index Services Act. 137.5 207.9 -0.1 Perspetual Pers Act. 137.5 207.9 -0.1 Perspetual Pers Act. 253.8 267.2 +0.4	Managed Ser 2 144 3 151 9 — Property Ser 2 166 2 174 9 — 166 2 174 9 — 166 2 174 9 — 166 2 174 9 — 166 2 174 9 — 166 2 174 9 —	Pers Spore & Mailay
k di Turkita Sura Kata	High Yield Jone 13 296.3 297.4 6.28 Navienth or measurement and Court control Headerson Unit Trust Management Ltd Presions Ringd. 292.9 54.58 -0.031 3.69 Lazard Revitiers & Co. Ltd Property May 1. 2220.0 295.0 1. 5.3 in Six Pro Jac 24. 12555.0 1000.0 5.3	Am Property Acc. 22.8 24.0 -0.2 Publish Funds 318.6 335.4 +0.5 F. I.Dep. Copp. 518.6 596.2 40.7 Prop. Cap. 565.2 577.9 +0.1 Prop. Acc. 1971.7 1128.2 +0.3 Rep. Acc. 855.9 601.0 -1.4 Rep. Acc. 855.9 601.0 -1.4	Find interest Fust	Morey 123,8 130,4 -	Description	Woohnick Acc. 220.5 222.7 Version's Japanese Life Femile State Femile	Merchant Investors Assurance Co Ltd Part of the MI Group 91 Wimpole St, London WIM 7DA Life Anisological of 0272 266366 Passion Enquiries/Unit Prices 081-666 9171	Price: Life Series 46 Persion Series Cac. June 28 N & P Life Assurance Ltd 6-7 Bedford Row, London, WCLR 401
	Lazard Investors Ltd # Enungi Punia Small for Jung 29	Stan Acc. 1682 8 1771.4 14.6 1582 6 1771.4 14.6 1582 6 1771.4 14.6 1582 6 1771.4 14.6 1582 6 1771.5 1582 6 17.2 1582 6	Persions European. Id-9 9 178.9 - Persions lett. 164.2 177.9 - 0.3 - Persions lett. 204.7 215.5 e0.1 - Persions Rebased Hyd. 200.6 211.2 - 0.7 - Pers Conservative May 105.7 195.5 - 0.1 - Adventures Mirro Fd. 216.1 227.5 + 0.0 - Balanced Mand Fd. 206.2 217.1 + 0.3 - Balanced Mand Fd. 206.2 217.1 + 0.3 - 2	Fil de ten 165. 222.6 224.3 125 -	Tables Hb Amer	Equity 994.5 -0.6 Property 270.3 284.5 Property 270.3 284.5 Property 285.1 Acr. 1393.5 367.9 -0.3 Prop tilan Sep 3 Acr. 1393.5 366.3 -0.3 Instruction 1899.5 1899.5 366.3 -0.3 Instruction 1899.5 1899.5 366.3 -0.3 Instruction 1899.5 1899.5 208.4 -0.2 Instruction 1899.5 208.4 -0.2	M Preparty	He Deposit Fd. 98 4 103.5 40.1 Pension Deposit Fd. 98 8 15 1 40.1 Rational Financial Management Corp Pt.C. 72 Gatebooke 86, Aylestony, HP19 3X.1 0296 395539 LHa Fands. 141.2 145.7 Hamaged Castionary 1107.1 112.8 Hamaged Growth. 141.2 145.7
	Amstralian June 27	Far East Cap 222.4 244.7 -2.4 Far East Cap 273.6 39.1 -0.5 Earth Cap 273.6 39.1 -0.5 Earth Cap 273.6 40.5 Earth Cap 273.6 40.5 Earth Cap 273.6 40.5 Earth Cap 273.6 40.5 Earth Cap 273.6 658.7 40.9 O.A.F. Cap 222.8 282.8 40.9	- Concernative Hings Fd	Managed 185.5 195.5 195.5 195.5	200000 Deposit	Managed Acc. 198.0 208.4 -0.2 Gill-Elipa Acc. 198.0 208.4 -0.2 Gill-Elipa Acc. 127.9 299.9 High Yield Acc. 277.6 292.9 -0.3 May Yield Acc. 277.6 292.9 -0.3 May Yield Acc. 277.6 292.9 -0.3 May Yield Acc. 277.6 292.5 -0.4 Intil Equity Acc. 277.1 222.5 -0.4 Intil Equity Acc. 277.1 277.5 -0.4 Intil Equity Acc. 277.1 277.5 -0.4 Intil Equity Acc. 277.1 277.5 -0.4 Intil Equity Acc. 277.5 -0.4 Inti	- Mil Interest Fand 288.6 40.2 Mil Interest Fd Pens 51.1 4 40.6 66.1 1 Fn Mil Interest Fd Pens 356.0 40.8 68.1 VK Pens 682.1 42.0 - Mil Interest Pens 682.1 40.6 - 8.1 Net Lendry Pens 623.1 40.1 - Mil Intersitional Fond. 379 7 40.1 - Mil Intersitional Fond. 379 7 40.1 - Mil Intersitional Fond. 379 7 40.1 Mil Interest Mil	Managed Growth
	10 10 10 10 10 10 10 10	10.50 10.5	- Innstance Finals 118.6 124.9 -0.1 -	For Enterm. 380.1 400.1 ct)	Treatment Trea	Enerty Ser 3 Acc	Mil leat Fe Pers	National Merbual Life The Priory, Priory Pt, Bloche, SGS 20W 0462 422422 Ranester Pensia Funds, Managed, 1823 5 161.6 MK Egaty, 1823 7 1823 7 1824 7 1825
	Charlested	Pos F ar East Cap 92.5 94.6 0.2 Pos F ar East Cap 95.5 94.6 0.2 Pos F ar East Cap 95.5 94.3 0.2 Pos Eart Cap 95.5 94.3 0.2 Pos Eart Cap 95.5 52.2 0.2 James Cap Pos Eart Cap 95.5 52.2 0.2 Pos Eart Cap 95.5 92.5 0.8 Pos Eart Cap 95.5 93.5 93.1 Pos Eart Cap 95.5 93.5 93.2 Pos Eart Cap 95.5 93.5 93.5 93.2 Pos Eart Cap 95.5 93.5 93.5 93.5 93.5 Pos Eart Cap 95.5 93.5 93.5 93.5 93.5 93.5 Pos Eart Cap 95.5 93.5 93.5 93.5 93.5 93.5 93.5 93.5	Figure 1924 1974 -0.0	Pelican 241.6 254.3 (2) - Property 202.6 213.3 (2) - Stacked St. 241.9 254.6 (2) - Equity & Law	Da. Access 499.1 252.4 -22 -23 -24 -25 -27 -27 -27 -27 -27 -27 -27	Pest Equity	Bill Mitter Minger Fred. 1982	Overlegs Egerg. 1942.5 150.2
150 (150 (150 (150 (150 (150 (150 (150 (Managan Greefell truit Trust Managers LM Ramid Frank UK Scarty 1 Jun 25	Pen Am En Cap	- Special Structions. 22-3 23-72 40.3	Dependent 117.3 127.4 -0.3 -1.5	06. Acres	Bidg Soc Liel Access 143.3 153.7 40.1 Cosh Access 221.6 233.3 42.2 Egisty Access 784.4 785.7 42.2 Egisty Access 784.2 187.0 -0.1 For Eastern Access 244.1 257.0 -0.4 Florid Access 244.1 257.0 -0.4 Independent Section 188.9 144.3 6.6 Independent Access 267.7 480.8 64.5 64.5 64.5 64.5 64.5 64.5 64.5 64.5	- 80 Bar Armician Civit. 117.2 - 0.8 - NB Bar Armician Civit. 117.2 - 0.8 - NB Bar Am Smill Coo. 125.9 - 0.4 - NB Bar Japas Growth. 1074 0.2 - NB Bar Japas Growth. 107.1 - 0.5 - 0.5 - NB Bar Linten. 107.1 - 0.5 - 0.5 - NB Bar Linten. 107.5 - 0.5 - 0.5 - NB Bar Linten. 107.5 - 0.	Hatienal Provident Institution 48 Grazerbarch St. London ECSP 3HR Manageri 36.8 364.1 -0.7 - UK Ecolty 445.8 469.3 -0.5 - 0007578 Ecc. 3251 37.3 -1.2 - Americas 265.5 279.5 -1.8 - For Esst 378.1 396.0 -0.2 -
	Enropean June 26. 108.7 111.0 0.00 108.4 108.2 108	Austrians Life Asses. Cs Ltd 83 Ridderdwrit Rd, Bearmonth 175.21 1202 292 Englisy Fand Acc	345 Equity 255.8 263 -02 - Property 174.4 183.6 -03 - Git 6 Fixed interest 166.5 154.3 -1.4 - britant Linked 120.2 184.1 -0.4 -	Fixed Interest	Do Accom. 200.2 27.9	Hith American Actors. 157.7 146.1 -0.3 Property Actors. 150.6 140.1 -0.2 Winder Opps Account. 112.0 117.9 0.3 Prices for Cap Acc Plan & Cap by Port dated before July 1981 161.0273 824000	- Mi Bar Convertibles 105.7	Property
	Harry Dormet Pends Asser Earl Jane 27	2-8 Allyer Band, Cryston CR9 2-A 083-680 6 Popular Managarita 1975 168.0 9 Popular Managarita 1972 113.0 -0.8 HICA Managarita 1972 108.1 -0.0 HICA Managarita 198.9 108.1 -0.0 Premiah Pamiah Conscinification United National Aller Managarita 188.9 199.9 -0.8 Aller Managarita 188.9 199.9 -0.8	Far East 246,9 259,9 -0.7 - international 191.0 201.1 -0.3 - Special Situations. 311.2 331.8 +0.1 - Engantive Engantive Enganties Presiden Plan Prices on June 27 Unit speakings on Wednesder, Cast Fd. 221.1 221.3 -	Pers Hayber Inc Iri 200.9 21.1.4 +1.4 - P Pers H America Co 114.4 120.4 +1.2 - P Pers Far East Ub 207.9 218 8 +1.0 - P Pers Earcos Li 195.4 206.7 - 1.9 - P	98. let 7 bittal 351.9 370.4 +0.4	Er. Bidg. Soc. Labe	970 MF Fram Capital 1930 403 -	Destinat D. 561.3 611.9 -1.0 - Americas . 333.2 571.8 -2.4 - Far East . 626.4 659.4 -0.7 - Froperty . 551.4 26.4 -0.7 - Fibrel int . 155.1 103.3 -1.0 - Indexed 641 . 125.1 103.3 -0.5 - Egept
	Phillips & Drew Fund Management 1:1d Small Gr June 6. 748.8 765.4 4.55 Go Access. 163.4 866.7 4.65 Go Control 163.4 167.0 2.6 UK Index June 28. 1126.4 167.0 2.6 UK Index June 26. 1126.5 157.0 4.65 Goswerthin July 7. 91.25	Aven Insurance Pic Tidologica Rd, Stratford-som-Area CV37 0789 204 Boss Famil 171.52 72.781 Barckeys Life Assur. Co Ltd	#### 1	Peter Depart Co	Pers, int. Acc. 443,9 443,3 443,6 pen, Prij initial 226,4 231,0 pen, Prij Acc. 300,8 316,6 pen, Pers, ind-led GR is 152,1 146,1 40,2 pen, ind-led GR is 152,1 146,1 40,4 pen, ind-led GR is 152,1 40,4 pen, ind-led GR is 40,4 pen,	Do. Access	- Mi Fram Smitr Cos 98.6	Indicated Giff
	Third gr Six belg, Jan 21, 209.6. 522.0 22.6 Do Agonum	252 Rousburd Renal, London E7 080-534 5 Barchaptord. 484.0 489.6	- Special Sits Fd. 313.5 330.1 - Earpe, Fd. 313.5 330.1 - Special Sits Fd. 313.5 330.1 - Spec		4 Steppeng, under WC28 oNF 73.7 404 0393 43 40 5092 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.404 0393 47.405 PR. Man Fund. 197.3 197.2	Do. Accom	Nil Ser American 145.1 -1.2 -	PG Box 124, Norwick NR1 1.55 Biosopped Furth
and the second s	NM Ruthschild Asset Management Ltd 159.0 62.84 3.95	Money Access	Clerical Medical Investments Group Rance Plain Bristol 852 GH 0272-290566 Partengene Paristos With-Profits (Single) 128.9 135.7 +0.2 - With-Profits (Single) 128.9 135.7 +0.2 - Mixed 156.5 16.49 -0.1 - Index Lisbert 116.3 122.5 -0.4 - Index Lisbert 1977 134.5 +0.4 -	Partity 0 this et ser 2	Allis To Creany Fold. 122.4 127.7	0e Accum 1913 2014 -1.2 Exempt Prop. Infl. 273.6 200.2 -0.9 Do. Accum 418.9 411.0 -0.9 Do. Accum 190.1 190.1 200.2 -0.4 Do. Accum 256.4 269.9 -0.3 Index Food Infl. 90.9 116.2 -0.3	- Mil Gar III, Sel Depts	Flood Marcest Fund. 25 3 4.1 -0.3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
	1. Partischild Fund manuscric Con- but Exempt	Japan & Gen Assan	Social Stantions 106.7 112.4 -0.1 - international 136.6 143.8 +0.2 - 161.3 106.7 -1.0 - 17.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2 - 17.2 131.9 -0.2	Friends Provident Castle Street, Salksbury, Wilks SP1 35H. 0722 413366	Section Sect	Da. Accom	- Mi Gar Pref Starts	Property Fund
	Consect to new Institutes	Blamand Pin Accuss	- 500 EST ALE 107.8 1135 4031 -	Ormens Egativ 23.3 24.8 -0.2 - p Herit American 107.8 113.5 -0.9 - p Pacific Satis 114.1 12026.3 - u Egrapan 14.1 12026.3 - u	175.5 194.9 40.4	Sel Ser A	Mi Gar Hong Kong 122-b 142-5 143-7	Harneyd Fuel.
10 12 14 14 12 14 14 12 14		Scaller Cis Pers Access	- Clerical Medical Managed Funds Ltd 153, James's Sq. London SWIY 40.0 G71-430 5474 Cob	Front Index 1992 246.6 -0.4 - 5 Index Index 1992 145.7 -0.1 - 5 Index 1992 145.7 - 5 Index 199	37 123	Pacific	Mil Hen Iar & Assets	Nerwich Union Life Interance Sec. Survey Street, Nerwich WEI 3NG 0603 622200 Settled Life 102.3 To 17.75 40.08 4
and the second	INSURANCES AA Friendly Society Operatinett Hopf H & 6 for Many 1sed	Energes Swit Fees Access 150.0 168.5 -0.2 Junio & Gen Pers Access 90.7 95.5 40.2 White Sale Pers Departs Access Fee Departs Access Fee Departs Access Fee Departs Access 100.4 112.1 -0.6 1	inter Linice	UK Egoty 311.9 28.4 +1.8 - E Stewardsig 361.5 300.6 +1.5 - E Northal Egoty 250.1 263.3 -0.5 - E Sorth American 114.2 120.3 -0.7 - E Pacific Rasio 117.5 123.7 -0.1 - E Exception 157.7 166.0 40.4 - E	repeat Peator Peat 1275.4 250.71 -2.51 - Capital entits price entitable as repeat IIII Sammel Life Assur. Life IIA Toure, Additionable Int. Crepton 083-886-4365 entits Feat 250.7 388.9 (2) - Initian Feat 250.7 388.9 (2) -	London Indepentity & Gal. Ins. Co Lini 18-20 The Forbury, Brading Marty House, Level 15, 18-0.0 Milit leasible Jone 6. 1237-3 147-5 London Life 100 Temples Revised Revi AFA	Mil Hen Globel Ris	RESTRACTOR 91.89 90.71 022 12 12 12 12 12 12
The state of the s	Abbey Life Assurance Ca Ltd 98 Orientes Road, Beginneneth Prop. Ser. 1 293.7 304.2 40.1 - Emity Ser 1 152.3 199.3 40.1 - 199.4 40.2 40.2 40.2 40.2 40.2 40.2 40.2 40	Black Herse Life Ass. Cs 13th Mouthstire No. Catham, Kest. Life Fault Managed Invest Fd	C 1.00000 1.01 400 10.11 4	129.1 230.7	membrone Feet. 358.0 378.5 00 - moltor Feet. 251.5 266.2 00 - moltor Feet. 379.9 279.7 101 - moltor Feet. 379.9 279.7 101 - moltor Feet. 379.0 414.9 101 - moltor Feet. 370.0 414.9 101 - moltor Feet. 376.8 710.7 101 - moltor Feet. 376.8 101.7 101 - moltor Feet. 376.8 101.7 10	Life Penish	## Hes Japan Spet Sts 89.7 40.6 — Hill Hes Hook Kong 125.4 4 -0.3 — Hill Hes Hook Kong 137.5 40.3 — Hill Hes European Tet 137.5 40.3 — 137.5 40.3 — 147.5 40.3 — 147.5 40.5 — 147.5 40.5 — 147.5	Reposit Fd. 1702-92 168-33 +0.10 - Unitian President With President With President 133.70 167.74 +0.15 - Hantaged Fd. 124.79 155.15 -0.10 - UK Egesty Fd. 124.09 162.20 +0.05 - Hantaged Fd. 124.09 162.20 +0.05 - Hantaged Fd. 126.07 162.20 +0.05 -
	INSURANCES AA Friendly Society Objective Hook Hook 150 AA Friendly Society Objective Hook Hook 150 AA Friendly Society A Friendly Society A Friendly Society Prop. Soc. 1 293.7 209.2 Prop. Soc. 1 293.7 209.2 Prop. Soc. 1 293.7 209.2 Prop. Soc. 2 482.5 470.4 Prop. Soc. 4 82.5 470.4 Prop. Soc. 4 82.5 470.4 Society Friendly Society Friendly Soc. 4 150.9 Finel Int. Soc. 4 221.7 Indicated Ing. Soc. 4 221.7 American Soc. 4 220.2 Indicated Ing. Soc. 4 2	Tablesof Fd	18 Equity 570.9 582.3	Pois Managed	Capital reside 275,4 290,7 -25	100 100	Mit Hen Globel Ras	UK Ord Share Fd. 95.23 100.25 International Fd. 91.88 9.71 -0.22 European Fd. 106.87 112.09 40.39 Borth American Fd. 91.96 96.82 -0.85 Pacrite Fd. 82.70 87.05 -0.33 Pacrite Fd. 99.70 100.95 +0.06 Fixed len Fd. 99.35 94.55 -0.20 International Fd. 102.92 100.33 International Fd. 102.92 100.33 UK Egenty Fd. 102.92 100.33 UK Egenty Fd. 102.92 100.33 UK Egenty Fd. 154.09 162.00 UK Egenty Fd. 155.07 162.29 European Fd. 154.09 162.01 Factic Fd. 155.07 162.30 Fd. 155.0
		German Growth Fd. 188.90 196.351 -1.19 Japan Growth Fd. 177.03 163.55 +0.93 UK Groseta Fd 184 92 163.07 +0.93	Flord let los 202.43 295.29	no Pran Par East Fod. 133.0 329.5 +0.8 - 5 GT Man K Am Feed	inelinit Feet	mder Stock (A)	- Millen European	Continued on next page
	· · · · · · · · · · · · · · · · · · ·							

 Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help deak on 071-925-2128

FI		Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128
NOTATION OF THE INSTRUMENT SECTION OF THE PROPERTY OF THE PROP	Fife Price P	
Ordinary Share Fand 603.0 633.7 -4.4 Misseged June 27 1290.8 261.3 -1 -10f. Consty 199.7	tria lacrons 100.0 108.4 +0.5 - Equity Acc. 907.0 954.8 -2 - Borth American Canity 30.764 and of try 1685 115.1 121.1 -0.7 - Fined interest Acc. 208.3 250.9 -1.8 - UK Equity	1.656
100 100	18 16 16 16 16 16 16 16	
Pearl Assertance (Unit Funds) Ltd -0.22 -0.23 -0.25		* VK Active
Equity (V(4)	publif potants	Aprilol Life Assertato: ICW HM Acc. 129.5 136.3 40.9 Sanite Hz: Le Trucket, St. Peter Part, Casy 0401 724983
Ret Man Series II.	1985 1985	Comparison Com
Parametria Fed	per Cas Growth 1385 1657 -0.2 Pers. Let Label Acc. 1535 161.6 -0.2 Intl Growth 50 100 S Straig Co. 195.2 100.2 +0.4 Pers. U.S. Bonth Acc. 146.5 154.3 -1.1 U.S.S Managed 50 100	0110 - RW Caffriesty 3 1120 1179 -01 - Memored Sterling 12571 11100
Managed Cartines	mach Growth	0.107
The Control of the Co	India	March Financial Management PLC Global Growth
Pers Rengt Fi Mech. 130.0 157.1 index Linked June 13 155.73 04.55 test. Manager 150.0 201.1 -0.2	F Extend 100.7 112.9 40.2 - Float int Persion 194.42 101.49 -0.12 - P0 float 119.9. Actor Port, General Persion 194.42 101.49 -0.12 - Float interaction for the Companies 173.9 77.1 -0.11 - Carlo Persion 194.42 101.49 10	Machine Mach
Pers Fold for Fd (field.) 103.4 140.5	repen Greeth	Devy Petitol 22.8 24.0 -0.7 -0.001
37-37, Perrymount Road, Ratyushin Neath, 1944, 4322 Pen Indo 12 June 22 119-2 170.5 41.3 - Growth Fund. 116.4 173.2 -0.2 - American. 111.0 122.0 -1.0 - Pens Property Lance 22 88.2 72.9 - Generality Fund. 194.1 178.0 -0.5 - Generality Fund. 194.1 178.0 -0.5 - Generality Fund. 197.1 171.1 -0.4 - Generality Fund. 197.1 -0.4 - Generality Fund. 197.1 171.1 -0.4 - Generality Fund. 197.1 -0.4 - Gen	Sengled	1.012 O'Halloras & Ca/Countywide OGR. ECU 50.892 20.92 0.17 0.997 -0.002 Tokel D. North S. Parebrook PEI (19.0733,4830 0.18 FF 51.082 1.082 0.19 1.082 0.18 FF 51.082 0.18
Good 100 200 200 Eithe Fund 1131 1190 427	1201 125.6 41.0 75.7	9.684 ORIL 28730 Polic President Affricance OCIR 1873 OCIR 1874 OCIR
	K Special Stb. 197.7 148.1 19.17 148.1 19.17 148.1 19.17 148.1 19.17 148.1 19.17 180.1 19.17 180.1 19.17 180.1 19.17 180.1 19.17 180.1 19.17 180.1 19.17	2.577 — Petter & Co PLC State Petter & Co P
Second S		180.9 Bitteleasy Fee Fet 08.
WK Equity 202.0 308.0 - Reliance Motival Pers Property Fiel 163.5 151.1 40.1 - 153.0 151.1 40.2 - 153.0 151.1 40.1 40.2 - 153.0 151.1 40.1 40.1 40.1 40.1 40.1 40.1 40.1 4	36 General 1918 2018 435 - Financial 2417 2155 417 - EUK Fined Interest 2245	271.7 - 5 Sept 24 State 123 1 131.7 - 5555 St 178 W 30 327 1811
Professional Life Assignance Co Ltd Describer No. 105.0	55 Promier Income 125.6 199.1 40.4 Bectife 50.45 24.75 40.5 5 Capital Gazarates 119.5	213.7
Fidelity Managed	Section Property 100.4 122.4 -0.7	Do Target Life
Stramonique, Kesdell, Cambria LR9-48E (9339-733733 Rayel Heritage Life Assurance Ltd Europe Performance. 165.4 111.0 -0.7 -0.7		- Canadas Fd
Property Fand. 270.7 289.0 -0.3 -0.0 Mar. 522.5 22.3 +0.3 -0.0 Let. 52	12 110 -12 110 -12 110 -12 110 -12 110 -12 110 -12 110 -12 110	Sittala Franci Stanagers Limited 1. Starting 57.45 67.
Correctible & Gitt Fd., 143.3 151.1 -51	N Brigaris Managed. 1943 2045 40.2 - August Person Patrick Patrick Managed. 1943 2045 40.2 - August Person Patrick Patrick Managed. 1954 110.9 - 40.4 - US Alpha	
America months 300.8 320.1 -0.7 Gartinore Global 173.6 182.8 - Scrittish Wildres Group 173.6 182.8 - PO Scr 902 Edinburgh ERIA 580 031.425.6000 124.1 132.9 -0.9 Gartinore Pari 52.3 27.8 -1.2 Impro Pari 124.1 132.9 -0.9 Gartinore Pari 52.3 27.8 -1.2 Impro Pari 1703.7 703.7 42.6 - 2.8 124.1 12	arranted FG 1994	2.650 — Hetera Paguell, Generater DHS 70W 0977 640331 GG ant VHG and V
From a from the control of the contr	p make Meeters 2-3 7-1 10.3 10.5 1	Tattersall Envestment Mingt. Ltd Adjusts & Neville Fund Mingt (Generator) Ltd
Fig. 18.	Indianal Life Assumance Company Pessions Cah	1254
Sum of the Part 1961 1962 1963 1963 1965	Temper 1973 1981 1982	1.114 0.007 - N. N. Schreder 1.02.2 107.4 -0.1 - Geist (S)
Per 6 F Dold Poliss	Demains-Green Demains-Gree	79.7 J. D. Ward Financial Services Ltd. Sar4 (D
RCH Masser M	DIV 1:4- Accordance C. 144 Serval Securities Book	1222 - Target Mind Pendina 130.7 137.5 - UK Hammed (D. 130.4 405.1 127.5 197.4 - UK Hammed (D. 130.7 161.6 1 127.1 127.5 197.4 - UK Hammed (D. 130.7 161.6 1 127.5 197.4 197.5 197.4 197.5 197.4 197.5 197.4 197.5
High Crop De Fel. 199.5 For Date 199.5 Fo	## Attlance Group Worshing Rd., Hersham, RH12 ISL 0403 40033 3000 Antimace International Pt Box 77, Hersham 1 MA High Land Ref (Table Care) CO 1	
UK Egrity Acc. 2009 222.9 -0.9 - Was Growth 200.5 2112 -0.5 - North American Fd. 137.2 144.4 40.1 - Fd.1 Forth Language Fd. 137.2 144.4 40.1 - Fd.1 Forth Language Fd. 137.2 144.4 40.1 - Fd.1 Fd.1 Fd.1 Fd.1 Fd.1 Fd.1 Fd.1 Fd.1	26.5 26.5 26.5 27.5	1.96
Noney Acc. 17.8 12.3 40.1 Darupean 200.3 200.0 40.7 Asser below Monitor 12.5 188.4 40.1 - P. Special Market Acc. 166.4 17.5 - 0.8 - Earls Nec. 18.5 - 18.5	Franciscal. 421.9 444.2 -1.1 - manager tasks 122.2 - Sterling Peta Pign. 60.89 to August 222.2 - Sterling Peta Pign. 60.89 to August 222.2 - Sterling Peta Pign. 60.89 to August 222.2 - Sterling Peta Pign. 50.73 to August 222.2 - Sterling Peta Pign. 60.89 to August 222.2 - Sterling Peta Peta Peta Peta Peta Peta Peta Peta	OVERSEAS Dantrust Management (Gneroscy) Ltd Dantrust Limited
North Angelican Act	# Finds 343.8 341.9 -0.1 Find in Capital 97.4 102.4 Em Bond Fd. 12.5 Em Bond Fd.	143
Hong Rom Act	Priorida Reed	0.00 -0.01 - CANADA (SIB RECOGNISED) Managed Perticits
UK Engity Initial 145.0 -0.6 - Facilic Growth 169.2 178.5 -0.4 - Jugas Growth 169.5 - Facilic Growth 169.5 - Facilic Growth 169.2 178.6 -0.4 - Jugas Growth 169.2 178.6 - Jugas Growth 169.2 178.6 - Jugas Growth 178.6 - Jugas	ws Sectal Humster L. 137.7 163.0 -0.1 - Whether Life Assur Cb Lbit was no maken and ma	1.055 -0.001 — Ivery & Since Perohveks Inc. 1.064 -0.007 — IK Agest: leny & Since Pic. 0.002 — One Capriotic Source 1.306 -0.006 — Source Editabres EM e02 — 031 225 357 1.001 — One Capriotic Source 0.01
Special Market Initial 130 7 -0.6 - Autoritical Georgian 121.7 128.2 - 4.2 - Autoritical Street 121.5 127.5 -0.5 - Autoritical Street 121.6 127.5 - 40.9 - 6.2	Control 150 7 150 7 -0.1 - Ground Bank & Girl 294.1 293.2	+6 00 -
Residential Prop Int. 06.8	- Special Conference 12.1 2 12.2	1114 447 - 5180-780-51 12-16 13-31 - 1115 Samuel Fd. Mayrs. (Garresper Ltd. 1-16 - 10.62 - Cigar International Family Mayrs. (CD Ltd. 71) Samuel Fd. Mayrs. (Garresper Ltd. 1-16 - 70 Soc 206 S. Peter Port, Garresp. 0461.714315 Garresp Td. 174.56 79.741 (2) 2.54
High Manager High 1972 -0.2 Author's Green for PVI 1273 1277	Management 175.0 184.2	Fin. Plant.) Ltd Grown Tolking Correct. 350 955 0.955 1 0071 00216 00 "Office prior including of marking professional professional format in the contract of t
GBulteran November 2c, 127.7 134.7 40.2 — Gay Growins Fd. 133.2 140.3 — Special Sides. 177.0 183.1 40.2 — Fd. 183.0 1.2 1.2 1.2 1.3 1.	m Sectal Managed 194.7 204.9 -0.1 Retail & Restry Life 151.1 171.6	0006 201544 P0 Box 255 St Peter Port, Germany CI 0461 710651 Skrink Fund 156.15 6.65 1
UK Find Interest Act	Section and 1 10 2 40.1 - 11 Locidabil Walt, Potentiath 901 212, 9705 222200 The Analysis Group PLC Anner Sect State 1 10 2 40.1 - 11 Locidabil Walt, Potentiath 91 115 21 - 12 Part View, Rangust, HGL SLY Copta. 10 2 10 10 10 10 10 10 10 10 10 10 10 10 10	Shell Megel H
MOTH APPENS ACC	Main & General (33.6 36.7) 40.7 - Security 1106.4 114.1 40.1 - APR Bast Foot flowed 94.6 114.1 40.1	194.4
Reservoiry Acc. 10.9 10.7 -0.1 - Pacific Basis 127.0 228.4 -0.3 - American 103.9 109.3 45.1 - American 103.9 103.1 40.5 - American 103.9	OFFSHORE INSURANCES	87.11 — Magnetic Dist. 3- 33.11 34.60 (ADM) 7.94 Easter limit Set Ust.)
12 12 12 12 12 12 12 12 12 12 12 12 12 1	Ligari (G)	USS Money Francisco - S- 20 marzo rain 1/2 a Lazari Sei Port Sing 152 75 1231 1007 179
	ancie All Wester 524.7 552.4	Columber
Epsily F. mid. 251 2 283.8 40.9	thy (Acc) 40.3 - Resignar Fd. C. 1553 - Workstafe Fd. 117.3 -	25 3.10(71-404-5766) 1-115 40.002
Fixed interest Ford	Signet (Acc)	222 22331 Global Letter Find 5 - 65. Find 19. 7. 60 - 19. 18. 9. 7 - 19. 19. 19. 19. 19. 19. 19. 19. 19. 19.
Provident Mutual Life Asso, Assn. Set Pearls 12, 201 001 001 001 001 001 001 001 001 001	Security	HORTE LESS EARTH & BOOM
William Rd, Hitschis, New Sci All Main Page Main	so Cent Peans Series 1070.4 Fleight Growth 47.0 50.3 41 Capit Nat. London Ri. Turinfage V Series Access 1070.4 Fleight Growth 47.0 50.3 50.2	10 10 10 10 10 10 10 10
Property Grd. 229.1 220.5 - 2.6 - 2.90 St Vaccort St, Glassow Property in the 170.4 174 2.6 - 190 St Vaccort St, Glassow Property in the 170.4 174 2.6 - 190 St Vaccort St, Glassow Property in the 170.4 174 2.6 - 190 St Vaccort St, Glassow Property and Gibt. 100.9 148.3 - 190 Fixed Interest Int. 177.0 184.3 - 190 St Vaccort St, Glassow Property and Gibt. 100.9 148.3 152.9 40.1 - 190 St Vaccort St, Glassow Property Int. 177.0 184.3 152.9 140.1 - 190 St Vaccort St, Glassow Property Int. 177.0 184.1 192.3 160.3 - 190 St Vaccort St, Glassow Property Int. 190 S	Serry PL Action. 2012 253.4 Type of the Printer 190.5 34.3 40.1 Selection Printer 190.5 34.3 40.1 Selection 190.5 190.7 Trace & Company Frank. 192.9 50.4 Selection 190.5 190.	DN 0372 57811 EURO March 15 231 5 251 5 252 5 5 5 5 5 5 5 5 5 5 5 5 5
Peinte Faith 419.5 441.6 -1	Prorty Fd. Acc. 215.2 226.5 Investment Partielle Services Investment	pes Lini Coulis Janes
Per ind Lief GH. Und	Supplied	Comparison Com
Deposit Int. 2243 226 403 - De America Scotoly Fd. 130.0 130.9 (2) - Managed Record 170.0 200.01 - Deposit Int. 126.7 175.51 40.21 - Building Sectory Fd. 130.0 130.9 (2) - Managed Record 170.0 200.01 - Deposit Int. 126.7 175.51 40.21 - Deposit	Penset (Ind Sec. Acc. 131.9 198.8) Emple Adventurous* 173.946 6 4761 - 0.0091 - Global Select P Folia. 151.4 Prices quoted are Secretar operations. Pringer Particulars. Pringer Particulars. 124.46 For other find prices please ring 0.624 662266	311 403 - Franch France
·		

FINANCIAL TIMES TUESDAY JU		FT N	IANAGED FU	NDS SERVICE	● For Current Unit (listed below)	t Trust Prices on any telephone ring direct . Calls charged at 38p per minute peak as	:-0836.4 + nd 25p of
Streets From Streets From Allied Irisk Streets From Str	Police Price - Greats Police Price - Greats Tarrid Managers - Countd Metal 70 Meta	Side Otter + or Yield Price Price - Griss	Date Cause. Bild eather + as Yight Charps Prices Prices Price Prices - Gris MITMA (a Group (Lucrenbourng) Asia Possis Prices - Gris Prices - G	Bid Offer + av Yidd Price Price - Gree Erreit Price Price - Gree Erreit Price Price - Gree Erreit Price Price Price - Gree Price Price Price Price	Bid Offer + er Yield Price Price - Gross tage Group Sanger Franc. S34.48 - 6.00 Malays Sanger Franc. S42.22 - 6.00 Malays	But Offer + ar Yield Price Price - Greet in Capital Fund Ltd. 27 - S10.12 - Herrary 7616 Till 10 Growth Fund - Delier is 807U	Magnet (Isi rus (Stor) P \$10.2 P \$3.0.2
Streetings Found Marger Lid Altical Frist local Marger Lid local		Asset Management Jersey Ltd — Book Mind Hind Hind Hind Hind Hind Hind Hind H		Slandey State S17.75 18.86 40.07 - 27.88 GAM GAM Ernskt E	12.56	in Capital Fund List 27	IPs. £10.3 £9.90 DM9. 57.51 99.25
Typistall Internativenal (Generacy) Ltd Cockin Delection Section Secti	\$13.16	\$46.24 49.49 -0.03 -0.66 Mixed 10.26 Mixed 10.26 Mixed 10.26 Mixed 10.26 Mixed 10.26 Mixed 10.27 Mixed 10.	For- 116-402 119-95 NM In For- 129-96 NM In For- 129-97 133-56 NM In For- 129-97 133-56 NM In For- 129-97 NM In International Selection Fund Pacific International Selection Fund Pacific International Selection Fund Pacific International Selection Fund International Selection Fund International Selection International Inter	Come & Gwth Fd Sub-98 +0.07 - S.G. Evrope Sub-98 50.07 - S.G. Evrope Sub-98 50.07 - S.G. Evrope Sub-98 50.08 - S.G. Evrope Sub-98 -	Europe Obligations SA Chilgations SA Childations SA Chilgations SA Childations SA	The part	S10.1
Wellington Fd Minutes (Garcinsey) Ltd Sterling Bething Sterling Bething Sterling Bething Sterling Bething Cap (Inc.) 14,291	mme_1995.78 99.201 40.271 81 Windsylve op Fund Manusk (2.7) Ltd Wardley R allyl(2.94 9.204 -0.09 ho.62 hyl52.06 32.09 +0.64 - Wardley R 051.50 34.60 +0.17 8.03 061.44 1.55 - 7.84 Worldweth	g Asset Management Jersey Lint — Secret Management Jersey Lint — Mind Management Jersey Lint — Mind Management Jersey Lint — Mind Management Jersey Lint — Framer Start — Group 54 64 22 1 — 0.39 — Framer Start — Group 54 64 22 1 — 0.39 — Framer Start — Group 54 64 24 49 49 — 0.03 — Mind Management Jersey Lint — Group 52 13 6 1 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	78, Dooglas, isle of Man 0624 22444	Fidel Price is in June 25 Fidel Fidel Price is in June 25 Am Vo Am V	per 1.992 S11.57 +0.201 Man I may 1 in the Author of the A	TO-lan 1996	national I
TOEL AND Cithak (CI			ESTERS		S Securities Management List gl-income 13.9 25 fbs 11.9 Manile gl-income 13.9 2.5 bs 11.9 Manile gl-income 12.2 2.30	Find Common List - Money and List - Money and Finds - Trust	Mai Func
Dentshire* Vict. Spring. Sint Com. 264 950 or Year States	DN26.978 #0.025	Compe Price Price Price - Gr's Far Ears City Japan City Inhall Investment Fund UK Growt a Gare, 1-1611, Lomenburg 352 489961 Tüniche Sh Find \$ 2.00 2.13 40.04 - Sermata I vice \$ 1.15 1.22 40.02 - TR Worlds	197.04 113.94 40.5 Norman 196.23 113.94 40.5 Norman 197.05 116.98 - 161 Norman 197.05 115.94 10.5 Norman 197.05 115.94 10	a Prudestial Global Portfelis S15.12 40.07 Frant Resemberg Algha Fund Mark II Frant A: AAV S13.48 Franc Free	W June 29 H751989.45 IDR value USS72.790 Gright Frast Investment Grabit Geometries (1987) 40.77 — Mutti-Ce L Effekt Fd. (1987) 81 18880 — Morgan MAV	nt acces	Gress Managerne 1, Tenbridge 1
ISLE OF MAN (SD REDIGHSED) Allied Denker Left, Small Store (Left)	10 26. \$17.223 40.020 40.0	284 3.02 40.01 — European. 5- 1.63 1.73 — European. 186 Fed — 5- 1.63 1.73 — Grapean. 186 Fed — 5- 1.91 2.03 40.01 — UK. Bing. 196 Fed — 5- 2.95 5.96 — 1 — UK. Special Specia	Remmant (Gaerusey) Limited they, S. Peter Port, Gaerney 0461 26268 Portfoli wide Strategy Fund Lann 5 1,279 1,279 1,3607 16929 Portfoli Lann 5 1,279 1,279 1,3607 16929 Portfoli Lann 5 1,279 1,279 1,290 16929 Portfoli Lann 5 1,279 1,27	ection DATS2 54 - Frobi th F4 NV S27 69 - AV J	Tentch Prestige Fund	Jednestane (Jas., Advisor) hite her 25, 527,79 20,18 — 2 Fore Street, Le hite her 28, 527,79 27,98 — Depoth Jis Jes 28, 527,00 27,98 — Depoth Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,00 27,98 — Cent. Bd. of Jis Jes 28, 527,99 —	Fin. of Control of Con
Land Street, Douglas, Johl ADI Marrogestra	Styles 140,001 Skerling Pr S21,227 12,144 -0,007 Skip Fixed in S77276-607 -33,157 Akting Feb.	5 135 145 400 - 5-15 W	Tributy Asset Imaginit List SA con Thys. 1–2635 Lineanburg 010 352 421211 Receive Particular Tat-SEGAV Portfolio 15 - 12 33 d 13 22 4207 Portfolio 16 d 16 d 17 d 18	ET Glotzei Mingst Co SA GT Min Alloin Pand Global A. 1 Al. St. 0.73 +0.05 - GT ASS St. 1 St. 0.05 +0.06 - GT ASS St. 1 St. 0.05 - GT ASS St. 0.05 - GT A	Street Feld. S13.57 +0.00 Feb Feld	mancial Mingt Indi Lind Garbone Mic Kang Pd (2002) 1044 4.00 Call Fed and Prop Pd (2002) 1044 4.00 Call Fed and Prop Pd (2002) 1044 4.00 Call Fed (2002) 1044 4.00 Call Fed (2002) 1044 4.00 Call Fed (2002) 1044 1045 Fed (2002) 1045 Fed (20	
All Grand Marmagement Lid "Mil Turking Sheet from Bosse Mil Global Books" 5- 1.00. 1.001—1 Global Sheet Mil Marmagement Lid "Mil Turking Sheet Mil Marmagement Lid "Mil Turking Sheet Mil Mil Marmagement Lid "Mil Turking Sheet Mil Mil Marmagement Mil	STITES. 637 -3.1571 - ARCHITE F I RELEGIO CONTROLLES IN THE RELEGIO ARCHITECTURE F I RELEGIO ARC	Second S	Second 10 Sec April Se	Erg Management SA	### First Park 13.57 40.06 40.06 7.57 40.06 7.57 40.06 7.57 40.06 7.57 40.06 7.57 40.06 7.57 40.06 7.57 40.06 7.57 40.06 40.06 7.57 40.06	AN Juny 27, 58.35 AN Juny 27, 58.35 AN Juny 27, 58.35 AN Frenchs S10.96 An Frenchs S10.96 S10.96 S10.96 S10.97 Judimentume Claw, Advisor) Judimentume Claw, Advisor,	' Ma Acco
UK Casely	90.6740 -0.0025 -3 America inc 98 B. 51.2742 -0.0022 -3 Semposa in 97 Systi 10.0022 -0.0022 - Pet Gain in 107 Systi 10.0024 -0.0022 - Pet Gain in 107 Systi 10.0024 -0.0024 - Pet Gain in 107 Systi 10.0024 -0.0024 - Pet Gain in 107 Systi 10.0024 -0.0024 - Pet Gain in 107 Systi 10.0024 - Pet Gain in 108 Systi 10.0024 - Pet	6 Gorth S- 5.49 40.01 4.54 NA America 6 Gorth S- 7.45 40.11 1.45 NA America 6 Gorth S- 5.82 40.01 1.24 Suspense 8 40.02 1.25 United No. 6 5 80.00 1.24 Suspense 8 40.02 1.25 United No. 6 5 80.00 1.24 Suspense 8 40.02 1.25 United No. 6 5 80.00 1.25 10.59 Yea Global S- 6 1.25 10.59 Yea Global S- 7 1.25 10.59 Yea Yea Global S- 7 1.25 10.59 Yea Glo	can forps \$ 13.76m 14 60 40.22 - \$C21/TE 1. Highs F4 \$ 10.76m 17.5 40.26 - \$C4/fect 1. Highs F4 \$ 10.76m 17.5 40.26 - \$C4/fect 1. Highs F4 \$ 10.75m 17.5 40.20 - \$C4/fect 1. Highs F4 \$ 10.75m 17.5 40.21 1. Highs F4 \$ 10.75m 17.5 40.21 1. High F4 \$ 10.75m 17.5 40.20 1. High F4	CH SA S21.29 +0.02 -6 Em NAV. S21.29 +0.02 -6 Em Y Pacific Fands S.A. Lux Pacific Global Fand -6 Em ST Children -6	program and the program of the progr	Femal	Gross Bank pic LY 2AY. 13.5 72. 13.5 140. 14.0 10014.5
Part of the part o	Incher Co Ltd (AM June 27 CS12.47ml Incher Co Ltd (AM June 27 CS12.47ml Incher Co Ltd (AM June 27 CS12.47ml Incher Co Ltd (AM June 27 CS12.05ml Incher Co Ltd (AM June 27 CS13.05ml Incher Co Ltd (AM June 27 CS13	pean Bd \$- 4.55	Selection		impring a com 30'4\ 1 min − 1044 € 14	westment Management J M - Alignical EA	14.72 13.90 014) 14.90 press Ban
Balance Barrers of Section 1	nes Particiles 151 a. \$1.10 1.16ad +0.01	285 5 5.07 - 0.197.13 from Konn 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	A Equity 5 - 7.17 7.61 40.02 10.5.5.	\$72.55 +0.00 - GW I \$72.36 +0.05 - GW G 572.67 +0.05 - GW G \$75.67 +0.01 - Gais to \$75.29 +0.01 - Gais to	evestment Mingrat Ltd Orbis Leve wanteel Futures Ltd-Ser I NAV May 32 US\$9.56 Priotics Orbits Leve	condition (CS70%) 1.2657 cs American Execution (CS70%)	
### Floor, Victory Res. Doughs join! ### Floor, Victory Res. Doughs join! Gile Fd 51, 19.85, 94.85 102 27 -0.10 8.84 ASSAM Portfolio EXI Botis Boot 54, 15.86 1.590 1.667 8.87 7.00 D. Strilly East EXI & Did Bend 54, 15.86 1.590 1.667 8.87 7.00 D. Strilly East EXI & Did Bend 54, 10.57 10.81 -0.07 8.87 7.00 D. Strilly East EXI & Did Bend 54, 10.71 10.71 10.71 10.71 10.70	76.00 81.06ml - 203 meter	et Management (Luxembourg) SA 'Arton (=1150 km	MBOURG (REGULATED)(**) Temple	SF/2.85 Gartin International Lini 164	nore Investment Ltd URLEN I NAV	sto.75 40.27 36 (neer 5) (764) stures Trading (Cayman) Ltd 2,000-9,999 2	R 184. 184. 13.7 14.10
PO Sex 178, Despita; Jahl Scott 0.9084 0.9736148619.24 UK Port Sollar Victoria Carlo	64.99 69.48 — Commercial 50.92 0.98 — 24-26 Apr d	od Porticilo Incestament Company Porticilo 94 6 100.8 -0.1 - totale 93.0 99.0 40.2 - totale 82.2 92.0 93.0 - 10.1 - totale 82.2 92.0 93.0 - 10.1 -	Class A- Price Price Gross Gross Gross Price Price Gross Gross Gross everlopment Equity Financi Lucas B S Lucas B S	S10.91	9 Miss June 15 \$14.86 — PFG-LIC 1 Maj June 22 9.98 — PFG-LIC 1 Miss June 22 PFC-LIC 1 Miss June 24 PFC-LIC 1 PFC-LIC	Growth Fd. \$2.58 2.99 38 Threadsceid; Scroth Fd. \$2.57 2.49 38 Threadsceid; Scroth Fd. \$2.57 2.49 38 Threadsceid; Scroth Fd. \$2.57 2.49 38 Threadsceid; Scroth Fd. \$2.50 2.50 2.50 2.50 2.50 2.50 2.50 2.50	ital Adva digard EC 11 14 01 14 2
CALC & C'	pa Private Cite Far Easter Far Ea	nd Mengel 100.00	Iticarrency (SICAV) Top Bras Si264 13 Top Bras	Im Ad Warburg Asset Mingt London Hild Band Trust S11.30 +0.06 - GAM A Hill Stock Found	Pertfella	Fd	ne Accous thempton 11.87 72.28 9
Di international S1.73 184 18 C-USS South	\$13.04a +0.01 8.00 Belgian Gard da	20 CM Istre		SA. Frontesmore T	mitage \$22.15 Parintes \$22.15 Parintes \$23.20 Parintes \$23.20 Parintes \$24.20 Parintes	Bond Found SA	e, W1 3LD 10.50 13.50 0
Comparison Com	\$10.000 40.02 0.00 0 mark less \$7.75 40.13 7.00 0 mark less *Dativ Desilor	Text S	prizo 06	pent Bask Lid 9. Fand DM71.56 73.80} 3.00 GAM is 15. Fand DM66.67 68.67) 3.00 GAM is Fand-STCAV	eae	ii Port. S8.375 8.625 19 Mattomb Street 22 505-53 999. cc Fund CF Fund 1000-6-69, 999. cc Fund 1000-6-	w & Cn I
John Govett Management (IoM) Ltd Pingo Fish No. 155 Ada Wri Film Samuel 3	Management (Jessey) Ltd	ar lind-Globali Assets Filmi — its Entitles	19		Heart 110 (100 tells 120	sat Fund S12.50 Caledonian B Sta Ful S14.21 40.09 - 851 Andrew Square	lank Pic re, Edinburg 14.50 .td
IRI Global Finads Limited Management Author Siz Gerth 134.83 15.40 — Author Siz Edge Author Siz Edge Mightaguse Git. 118.05 18.04 — Middland Bank Mightaguse Git. 118.07 18.05 — M. St. C'show M	Canada Line	try 5 - 2.11 1.20 3.75 Japanete B 1.11 1.20 3.75 Japanete B 1.11 1.20 2.25 Sars Bend 1.22 Sars B	\$719.94 -0.05 7.50 Reserve 5.00 9 12.50 World St.09 +0.01 9.55 World St.09 15.29 World St.09 15.29 15.	FORM FIRST-SICAY If Fund	\$ \$170,44	a Fd NV Caracan 15(5,19) 15,000	
Marquey Fund Massgers IeM Ltd Shribs Bessels Mercusy Fund Massgers IeM Ltd Shribs Bessels Mercusy Fund 117.7 125.6 cz 5.2 American Equity Mercusy Read 21.0 Fund Read Courts R	nal dolly except where indicated. Japanese Ve de linguage Fands: Deptschware Step Liquid 1.085 -0.009 2.75 5tlp Liquid 1.082 2.0204 0.029 2.85 USS Liquid 1.083 2.85 2.85 2.85 4.85 2.85 2.85 4.85 2.85 2.85 4.85 2.85 4.85 2.85 2.85 4.85 2.85 2.85 4.85 2.85 2.85 4.85 2	n 8d Y-182.00 195.00 5.50 Section 1th 18 Good 70 00 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	es From 11.06 11.65 40.01 - Yamati 11 Bed 39 82 10.13 - Yamati 12 From th S1.60 12.23 +0.02 - Adendal	II Advanced Technology, Fd GAM & S23.88 GAM B II 1992 OMNI Food SECAV GAM 8	Company Comp	field Asset Management (2D) style="block-right: 1522" A2-81 +2.00! \$1.1 \$50, 600-559, 959 stackfield Asset Hanagement Limited \$100,000-5199, 959 style="block-right: 1528-569" Asset, Rengent (Asia) Ltd \$100,000-5199, 959 rust Asset, Rengent (Asia) Ltd \$100,000-5199, 959 style="block-right: 1528-569" Asset, Rengent (Asia) Ltd \$100,000-5199, 959 style="block-right: 152	phone ext
Serverin (Isle of Nan) Liel Street St	13.33 14.00m	Sciliss 1-2529 Houseld Linearbourns Into 352 405040 or 077-638 5898 Seption Final Seption Fina	SFr SFr1887.36 -6.19 -	ZERLAND (SIB RECOGNISED) GAM (S GAM (S Global	I America CC-1909 An I many _ ladoustar	Grooth \$17.37 18.25 S. Martin Re. M. Arventy \$11.06 11.23 Blancy Barket Pilote. \$10.68 11.23 C. Blancy Barket Pilote. \$10.68 11.23 C. Conductale. B. Cond	11.00 11.00 21.50
Reten Miles WIFSS 511-55 12-18 40.07 For Miles Mires 152-78 9.14 40.15 Floor Mires Mires 152-78 Floor Mires 152-78 F	2.2509 2.466 0.002 - FFF Sinks 1	1.14 1.18 0.18	POSSA ENLO	and Investments AG Granvi trace CH6301 Zog, Switzertand 217180 erts A.m. SFP 9310 0 9910.0 Granvi	the Management Limited Royal Title Management Limited Royal Title Management Limited Salve Figure 1 Computed Salve Figure 1 Co	rest North American Bond Fd	949 122 130 132 137 Bank Top
US Figuretal list." Tel: Case. Md. Offer + or Yield Listed Lorine Ass.	1. 23.65 27.04 2.0013 1.01 Sartmore 2.13 19.09 -0.35 3.20 23 he de B 2.3 -0.07 Jane Warm 6 1.1 19.09 -0.36 3.20 23 he de B 2.3 19.09 -0.36 3.20 23 he de B 2.3 19.09 -0.36 3.20 3 he de B 2.3 19.09 -0.36 3.20 3 he de B 2.3 19.09 3 he de B 2.3 19.09 3 2.4 8 19.00 3 2.4 8	2.10 - 1.53 - 1.63 - 550m-10	m 8d S A \$100 99 100.40 -	K UFFSHUKE FUNDS BARRY HAMB	abe Trust 3 \$1087.33 +42.56 7.15 Schroder Enyestment Partners Lini Hoskurd H Assas Pfolio, 1\$11.98 11.94	Section Sect	
PD Box 152 S. Reller, Jersey Cl 0524 67888 "Westy Dealing Agentsian Et Dind 5-5 100-97 0.947 1.021-489 4.1 4.1 4.1 4.1 4.1 4.1 4.1 4.1 4.1 4.1	Res. Shes. Fd. Inc. 241 Developing		- ATSP &	anagement Ltd Hill S Lang Term Equity Find State or Creston SF Con Sectionary 177 Feb.	Intest Investment Services Intl (2) Einst & Ge AG (For Each AG (For E	Boat Fd Acc. \$1.61 1.71 - 520,0000- Boat Fd Acc. \$1.69 4.75 - 520,000-549,999 8 57.59 8.00 - 55,000-519,4991	9 13 25 9 13 25 12 75
PO Box 189, Cightal Hac, Both St., St. Heller, Jersey Tel: 0334 73499 (Desting) 0334 73459 (Helprine) Teles: 4172136 Tales: 4172136 Capital Horse International Growth Plants List 4 GH. Fant U.	ell Finds Mgmt (Jessey) Ltd 12229 310 20 40 - 128 131 12229 310 20 40 - 128 131 12229 310 20 20 20 20 20 20 20 20 20 20 20 20 20	- 107 - Strawber Reserve D44 5.07 - Strawber	4-ANRSS- ISS-WORK WARRI	alaysian Growth Fd (Caymun) Ltd I.P.S.	7st July 2 54.065 4.285el Schreder		LO LT
WK Engley WK Engley Section	533.9224 +0.0428 - 0 520.7250 +0.0393 - Henderson H	n Management SA Cresvale Scheller 1–2520 Limenburg Engly Wen 171-638 5757 or 010-352 462232 Dean Will letter Fund	Global Box Advisors (Lox) SA st Clapas J S11.23 -0.13! - Heath Ca st Clapas J S11.23 -0.13! - Heath Ca tter World Wide Lovest Tst SA span Small Equity Fd small F 1 S12.76 J +0.01! - Surgery	528.02 29.28 -0.01 - Hul. Bo	d Fd June 28. \$10.830 11 405a 7.63 Scientific	Bernande Fiends starts Fd. 51.847 1.940 Liking Saret, Mas Fd. 57.85 Hick Ct., color)	achester M2 14.37
Carrenaids	tt Tst. Mingr. (Jersey) Lind Hth American 27J\$48.41. \$2.02!! — Empoyees Po UK Portfolk Mingr. (Jersey) Lind Global Portfolk Mingr. (Jersey) Lind Fleet Just Po	5- 6.11 6.47 -0.07 - Dresdies 5- 10.33 10.97 - Dresdies 6- 8.732 9.17 -0.3 - Thorston-	pon Fund Sicay Tachuloto bank Asser Management SA US Doil at Tiger Dis/259 7.65 SA Arral A Santo Investment Manat CSICAV) Internation	11.26 1.64 0.06 1.64 0.06	profit Food STA 85 The Star Fill MAY 100 The	Servery Fid. \$5,01	
Namenal Action 1819 1931 486 Officer For State 1819 1931 486 Officer Reference 1819 1931 486 Officer Reference 1819 1931 486 Officer Reference 1819 1931 1931 1931 1931 1931 1931 1931	FG 152-967 27786	pel Investment Services Intl SA 63/65, 3001 Bene, Switzerland 224051 Sisted Particle Sisted Particle S-9.69	Assemble S. A. Markett S. A. Markett S. Mark	ater Bank & Trust Co Ltd The Ja Bay Srd Sign on 1822 00	y Si	Friedlander Lein, Agents Wiley 31 131.5 136.5 45 Gardnere Mer 13. May 31 131.5 136.5 45 Gardnere Mer 13. May 31 131.5 136.5 45 Gardnere Mer 13. May 14 131.6 15 Gardnere Mer 14 131.6 15 Gardnere Mer 14 131.6 15 Gardnere Mer 15 131.6 G	rd, London S LIJ.87: Wheth Tests
Chemidian Fd	athroph Correnty Found	Fidelity	International Service (Lax) SA Asstralia. Hudged. 59.84 10.33 +0.09 1.02 Britains R	d	Sect Left	100	F (112) OCE 6
Enterping Miles Fd. 5-2.990 (c) 0.25 Sarrings Patient Serving Stand Fd. 5-1.002 (d) 11.00 Sarrings Stand Fd. 5-1.002 (d) 11.00 Sarrings Stand Fd. 5-1.002 (d) 11.00 intentional Section Read Family 5-1.161 (d) 16.45 (f) 17.000 (d) 17	til Fd Mingt Lin ### Fd Mingt Lin ##### Fd Mingt Lin ##### Fd Mingt Lin ##### Fd Mingt Lin ###### Fd Mingt Lin ###################################	edga & Colonial Pfolis Fd Sicav Frantis Postane Hil, Los ECAR DBA 071-623 4605 Global Saine Sept. 3 5-11.68 (-0.05) - Gobal Saine Spril-80 - Global Saine Spril-80 -	tries	\$0.56 65.58 40.55 10.9 January 10.50	Fig. 17. S24.72 25.16.d -0.26 See let. A 30 40.02 See let. A 30 40	Acc. 0800.92 0.93 - 71 Lamberd 9, Los Acc. 51.01 1.03 - 525,000 - 110,000 - 110,000 - 110,000 - 150,000 -	Investme ado EC3P 3 14.5 14.10
Freech Frank Day 10 Str. 5114 (c) 6.00 Desirablement File. Did Deposit Fri 5114 (c) 6.00 Desirablement File. Did Deposit Fri 5114 (c) 6.00 Desirablement File. Free Deposit Fri 5115 (c) 6.18 Januari Bei. 6 Gentl' 6 Januari Bei. 6 Gentl' 6 Januari Bei. 6 Gentl' 7 Jahr Govert (C'hastenel Estames) Lital	DMID14 10.71 +0.02 5.14 Healt' i's in St. 40.02 7.78 Prints Equil 1.72	TH ASSET. S- 10.03	International Grown NY tribut Religion NY tribut Religion 9,201	22.67 24.281 40.047 0.24 1F span 22.67 25.58 40.047 0.24 1F span 22.53 22.01 40.07 0.44 1F span 22.53 22.01 40.07 0.44 1F span 23.53 16.00 10.07 0.44 1F span 24. 25.04 20.97	78	ISSET MAIR AGENT INT. 105.71	ta Rd, Chelm 13.25 pic 12.18
90 Box 443, 95, Heller, Jessy (534 7314) Egroup. Growth Flantford Ltd (165 165 165 165 165 165 165 165 165 165	304.8 329.6 42.5 1-68 Attac Famil	Sime (Laxembourg) SA Fleming Ja- Fleming America 1237 (manabourg) G10 352 4046461 Japan War- Fleming America William War- Fleming William War- Fleming William War- Fleming William War- Fleming William War- Fleming William War- Fleming War- Fleming Japan War- F	Group Bds int B	17 (14ga) \$16.69 16.86 JF Pacif	CSesTation 27.97 29.60 +0.24 - Sterling Far plan Tat	Offshore Fined Admin. Ltd. persions. 10.99 1.04 — Provide Smire Sciol Provide Smire	lai Reserv
Comment Bond . 5 10.0 14 10.14 20.19 40.82 8.9 Schroder Mings Surfing Cash . 5 54.81 4.814 4.83 -0.1213.0 Schroder Mings Lagennic Equity . 5 17.53 1.53 1.526 43 0.0 Schroder Mings Far Excl. Equity . 5 15 124.63 14.79 40.11 1.0 Shar ing .	Services (Jessey) Ltd	### 126 12	Surger 1.75 12.05 Bordier Surger 1.00 Bordier Surger	Fitnes Ltd JF Europ V Jace 29	ny Ts DMIDA3 1125 -0.11 - Templeto Com Ts	m Gaibraith & Hansberger Ltd Provincial Ban are 29 199.50 10.12ai 30 Assley Rd, Altric Prime Food Limited (1,000%)	tk PLC octain, Ches 14125
Second County 5.0 margin 17.465 17.260 10.791 2.00 2.00	dwide Money Fund Ltd Gotal Bad Portion 19.7051 +0.007404.67 Dollar Portion	relata - 5 - 1904 2019 est 19.50 Words - 1906 5 - 2.655 2.055 4.037 5.00 Control C	72. \$11.34 11.93 — Butter() 15. \$10.75 11.95 — Butter() 19.92 10.48 — Butters & Butter	Insanger Asset Magaziert Line	wise 1985	Hoyel Sand First	13.79 13.50 12.50 12.50 12.50 12.50 13.25
			oral Boost Trest S12.10 +0.08 - Cantras le S00.86 +0.19 - Esmerato Aud Speciality Fund S12.64 - Top 20 Feet Valents Atlantiones SA - Capital	Tree Fand Management	Management Ltd Thermitan are May 31 513 10 -	Investment Management Lin HDA 12,500-	y St. Reading
Series 4 - 0822 23 22 23 22 23 24 25 26 26 26 26 26 26 26 26 26 26 26 26 26	S11.06 15.02 40.09 Middand I S11.10 15.00 -0.08 Middand I S11.10 15.00 -0.08 Middand I S11.10 15.00 -0.08 -0.0	Interestingal Circlet Find SILAV AV Jung 11 AV Jung	Franci Size of 32.80 23 Capital Franci Size of 32.80 24 Capital in serican Management Co Ltd Citizess to Size of 32.80 24.20 Corea 199 Corea Get Corea G	International SW6.51 BAY June 1 SW6.51 BAY June 1 SW6.51 BAY June 1 SW6.51 BAY June 1 SW6.51 BAY June 25 Won 25,087.68 USS34.89 BAY June 25 Won 25,087.89 BAY June 25 Won 25,087.68 USS34.89 BAY June 25 Won 25,087.68 BAY June 25 Won 25,087.89 BAY June 25 Won 25,087 BAY June 25 Won 25,	rity Trust oty 2 Won 6,730.33 IDR Value (ISS9,363.29 Paifig Facility 2 Won 6,730.33 IDR Value (ISS9,363.29 Paifig Facility	seler S1.16 11.6250 -0.02 -100 Lener Thurness SF C 12.3 1 2.925 -40.13 -100 Lener Thurness SF C 12.3 1 2.970 -40.05 -100 Lener Thurness SI.14 5.970 -40.05 -100 Lener Thurness SI.14 2.970 -40.05 -20.00 -20.	Ltd brig St, Stric
PO Box 195, St Heller, Jerser Linyd: 134, GR	S15.44 17.69 11.02 Ith American S15.44 Ith	Front - 5 - 10.77 - 10.79 - 10.00 - 10	Indi Fundo-Glahal Pfolio FCP Common N S10.91 40.091 - Common N S11.14 40.021 - Common N S11.15 4	nt Investments Ltd **Count. S19.46 20.65		SA 94 SA 5220 O.17 Hillia	14.00 13.37 der Wags tox EC2V 60 14.00
MIM Britansia International Corney) Ltd Spring Color of the Color of t	59.56 9.89 9.60 - Ask Tiger W 59.04 9.57 9.00 - Eargean W 59.33 9.88 40.03 - Income Pin. 50.05 - Income Pin. 5	terrant 5-2.00 2.15 in the light lighted from 5-3.22 566 d.DE in the lighted from 5-3.20 5.06 d.DE in the lighted from 5-3.00 5.06 d.DE in the lighted from 5-3.00 from 5-3.00 d.DE in the lighted from 5-3.00 d.DE in the lig	7 Me	Lalaysian 1916 10.05 Linysian Conacis Rouse (Bermana) Lind Linysian Linysia	Bank (CD) U/T Mingrs at Oversets. 294.4 352.71 0.79 Indicate live Fourier at Oversets. 294.4 352.71 0.79 Indicate live Fourier at Oversets. 294.4 352.71 0.79 Indicate live Fourier at Oversets. 294.7 10.70 Indicate Casall Section Indicate Library Section 1.0 Indicate Casall Section Indicate Library Section 1.0 Indicate Casall Section Indicat	8 Sh. 111.9 11.005 -0.131 Clear Fins Acc. 4 Sh. 9M 50MZ 07 -0.18 J. Henry Schne 120 Ceaccide, Lord West of 1.005 -0.03 120 Ceaccide, Lord West of 1.005 51.07 Section Fine 1.000 sas store. 1.00	High Integration PL1 1450 1450 1450 South We
Inches Carlon C	1384.2 193.91 - 25 Findury 25 Findur	District	resum regul 334.447 mettl.	DMRIS 09 85 25	FOIL THE SEASE THE THREE WE SEASE THREE WE SEASE THREE THREE FIRST	5104.88 104.90 —	
International Bond 5 98.48 95.48 100.26 h. 36 7.32 UNI Caylory 95 75 107.39 h. 15 7.43 UNI Caylory 95 75 107.39 h. 15 7.43 UNI Caylory 95 95.57 107.25 hl. 76 7.43 Units Caylory 95 95.55 107.25 hl. 76 7.43 Units Caylory 95 95.56 95.55 107.25 hl. 76 7.43 Units Caylory 95 95.46 95.46 107.25 hl. 76 7.43 Units Caylory 95 95.46 95.46 107.25 hl. 17 95.17 UNITS Units Caylory 95 95.46 95.46 107.25 hl. 17 95.17 UNITS Units Caylory 95 95.47 95.37 100.55 14.82 U.77 95.17 Units Caylory 95 95.47 95.37 100.55 14.82 U.77 95.17 Units Caylory 95 95.47 95.37 100.55 14.82 U.77 95.17 Units Caylory 95 95.47 95.37 100.55 14.82 U.77 95.17 Units Caylory 95 95.47 95.37 100.55 14.82 U.77 95.17 U.77 U.77 U.77 U.77 U.77 U.77 U.77 U	2. Management (Jersey) Lind Louise ECR 173.49 13.69 1.56 Rayal Tra 173.60 9.96 - 41 Australia 184. 187. 19.09 - 41 Australia 187. 187. 197. 197. 197. 197. 197. 197. 197. 19	Prolio S - 9.56 Demonstrates of Assettmax Fund in General Linear Conference Conferen	Prisila Disiry 86 +0.01 - Delwa AF Folia 10.45 +0.01 - Delwa AF Folia +0.01 - Delwa AF Folia +0.01 - Delwa AF +0.02 +0.03 +0	SET RAY Lines 20 Was 40, 42 (USS56.45) SET RAY Lines 20 Was 40, 42 (USS56.45) SET Lines 20 Was 42, 126 (USS56.45) AND Lines 25 Was 22, 126	Table 19. 518.10 19.25 114 Tinder BV 15. 125.25 114 Tinder BV 15. 125.25 114 Tinder BV 15. 125.25	1599.48 99.50	besic rask requiring in GEO FUM enless other prefix refer
JERSEY (REGULATED)(**)	# Alpha (Jersey) Ltd Alpha (Vortin 206.) 28.7 - 0.41 0.49 Alpha Japane (Jersey) 1.70 - 0.41 0.49 Alpha Paring (Jersey) 1.70 - 0.41 0.44 Alpha Paring (Jersey) 1.70 - 1.20 0.44 Alpha Errope (Jersey) 1.70 - 1.20 0.44 Alpha Errope (Jersey) 1.70 - 1.70 0.41 Alpha (Jersey) 1.7	SFP 4-91	Fricio A. S1114 10.05 Balwa J Printo B. S1110 40.05 Jap Exty Will distributional Impatient to Destriction antly Convertible Series Concessors. by Portfolio.	January Harris Field McG Feet McG Feet McG Feet McG IS I McG IS M	1.0 1.0	28	ens subject frae of UK to lingle pressi quences excess L 95 General lax y Ex-sub
Sit Offer + or Yout Occas States. Price Price - Grate Managed Carriers St. Managed Carriers St. Managed Carriers St.	109.0 114.5st -0.5 10.47 Stephen Steph	# Bond DN 48.41 40.58 50 Commission and SF 52.32 4.40 9.00 Class B	S10.71 +0.101 - MAV MAV	#+1)	a Fund Magant (Remarka) Ltd Union-Live Union	estment-Gesellschaft GmbH to charitable bodin Dai 37.00 Q.90 +0.40 rate of RAV horses Dai 77.54 82.59 -0.30 for these funds a	• Yield c • 2d to divide ecognised. T int: Genres

FOREIGN EXCHANGES

Pound helped by weak dollar

STERLING WAS boosted by a weak dollar and nervousness surrounding the D-Mark after German monetary union. High London interest rates, and symmetric point that the nound will be such as sterling, the Canadian and Australian dollars, are in favour, amid reports of buying from Japanese institutions.

The pound rose 1.90 cents to close at the day's high of speculation that the pound will become a full member of the European Monetary System before the end of the year, pro-vided support for the British

currency. Mr Karl Otto Pöhl, president of the West German Bundes-bank, said he expects sterling to join the EMS exchange rate mechanism soon, but warned that "anchoring to the D-Mark does not amount to a soft

option."
Mr Pöhl, speaking in London, also mentioned the UK proposal of promoting the European Currency Unit, as an alternative route to full mone-tary union. He did not totally dismiss the British plan, but observers suggested that he tended to damn the idea with faint praise.

An upward revision to May UK retail sales and higher than expected consumer credit in the same month had little impact on the pound, but dealers warned that rising UK pay settlements are preventing a slowdown in the economy at present, despite a long period of high interest rates. Nevertheless currencies sup-

ported by high interest rates, e IN NEW YORK

# IN NEW YORK						
July 2	July 2 Latest Previous Close					
5. Spot. 1.7620-1.7630 1.7425-1.7495 1.00 1.00 1.00 1.00 1.00 1.00 1.00 1.0						
		July		Previous		
8.30 am 9.00 am 10.00 am 11.00 am 11.00 pm 2.00 pm		91.4 91.5 91.6 91.6 91.6		91.5 91.6 91.5 91.5 91.5 91.5		

4.00 pm		91.7	91.4
CUR	REN	CY RAT	re\$
July 2	Bank rate %	Special ^a Drawing Rights	European † Currency Unit
Danish Krone Deutsche Mark . Neth Golder Errorh Franc	7 13.5 65.4 19.6 19.6 19.7 19.7 19.7 19.7 19.7 19.7 19.7 19.7	0.762050 1.32231 1.54631 15.4631 15.4632 45.3690 8.38940 2.20495 2.46264 7.40560 1620.73 204.099 8.4855	0,709315 1,24662 1,45007 14,5057 42,4038 7,85122 2,06253 2,32133 6,92810 1514,71 188,551 7,93579 126,707

CHIDDENCY MOVEMENTS

TYTISTIC: MYTEMETTY						
July 2	Bank of England Index	Morgan ⁴⁴ Costracty Changes %				
Sterling U.S. Dollar Casselina Dollar Austrian Schälleg Reiglan Franc Dautsch Kroee Deutsche Mark Swiss, Franc Gelifer French Franc Lira Yen	91.7 66.4 104.2 109.5 111.2 118.0 113.8 114.2 104.3 101.0 121.5	-20.7 -11.5 +11.2 +11.5 -2.3 +43.6 +21.8 +21.8 +15.8 -18.4 +50.0				
Morgan Guaranty	changes: a	verage 1980-				

OTHER CURRENCIES

July 2	<u> </u>	\$
Argentina	8774.90 - 8815.10	4990 00 - 9010 00
Australia	2 2080 - 2.2100	12545 - 1.255
Bradi	96.7175 - 97.8290	75,0000 - 55,600n
Finbed	6.8210-6.8425	3.8860 - 3.8890
Greece	282.25-286.75	160.70 - 163.30
Home Kone _	13 6910 - 13 7040	7.7855 - 7.7875
ban	121.40	69 20°
Korta(Sth)	1239.45 - 1259.40	713.20 - 718.80
Kemelt	0.51200 - 0.51370	0.2920 - 0.2930
Librambourg	60.00-60.10	34.00 - 34.10
باوردادها	4.7540 - 4.7655	27045-27065
Mexico	5032.60 - 5037.45	2862.00 - 2863.00
N. Zestand	2.9750 - 2.9795	1.6920 - 1.6940
Saudi Ar	6.5750 - 6.5805	3.7500 - 3.7510
Slogapore	3.2210-3.2285	18320 - 18340
S. Af (Car)	4.6510 - 4.6625	2,6480-2,6495
\$ M (Fi)	7.1485-7 <i>.29</i> 70	4.0650 - 4.1495
Tahuan	46,80 - 47,45 6,4380 - 6,4450	27.40-27.457 3.6720-3.6730
4.FLE	0.4300 - 0.4430	2,01,61-3,0130
	*Selling rate	_

MONEY MARKETS

INTEREST RATES held steady on the London money market yesterday, with three-month

sterling interbank unchanged at 1411-14% per cent. One-year money eased slightly to 1411-141 per cent from 1411-141 on speculation that sterling

will enter the exchange rate mechanism of the EMS later this year, leading to lower rates in the longer term.

Short sterling futures traded quietly on Liffe, with September delivery falling to 85.50 from 85.51, after opening

UK clearing bank base leading rate

15 per cent from October 5

Day-to-day credit was in comfortable supply. The Bank of England initially forecast a credit shortage of £100m, but revised this to £150m in the afternoon. Total help of £208m

was provided.

The authorities did not

operate in the market before lunch, but in the afternoon bought £105m bills outright in

band 1 at 14% per cent. Late assistance of around £100m was also provided.

Bills maturing in official hands, repayment of late

assistance and a take-up of Treasury bills drained £924m, with bank balances below

target absorbing £40m. These

Rates little changed

outweighed Exchequer transactions adding £310m to liquidity and a fall in the note

In Frankfurt call money

eased slightly to 7.95 from 8.00 per cent, as credit remained

tight after monetary union

with East Germany at the week-end. Dealers expect the

Bundesbank to keep call money firm, while making sure that banks in East Germany have enough funds. It was

rumoured that the East German State Bank - which

lost its role as a central bank with monetary union -deposited funds in Frankfurt at

market rates after receiving some DM10bn from the Bundesbank at a rate of 6 per

In the tight conditions banks in West Germany took up DM8.4bn of Lombard borrowing on Friday, compared with only DM3.5bn

on Thursday. This was repayed yesterday, and banks are also faced with repayment of around DM7bn borrowed last

week under the terms of the Bundesbank act, which allows the central bank to transfer

funds to the market from public authorities.

The Bundesbank will have

the opportunity to clarify its monetary position this week,

via a securities repurchase

agreement tender replacing expiring facilities of DM24.6bn.

and an order of the property of the contract o

circulation of £575m.

from Japanese institutions.

The pound rose 1.90 cents to close at the day's high of

\$1.7635. It also advanced to DM2.9250 from DM2.9050, while improving to FFr9.8100 from FFr9.7600; to SFr2.4750 from SFr2.4700; and to Y266.75 from SFr2.4700; Y265.50. According to the Bank of England sterling's index rose 0.3 to 91.7.

The dollar lost ground to major currencies in general, including the Japanese yen and D-Mark. This was parily the result of a comment by Mr. Richard McCormack, US Undersecretary of State for Economic and Agricultural Affairs, about concern within the Group of Seven about the depreciation of the yea. Expectations of lower US interest rates, and speculation that Japanese and German rates will be the property of the proper move higher, also weighed on

the dollar.
At the London close the dollar had fallen to DM1.6580 from DM1.6655; to Y151.25 from M1.6655; to Sfr1.4035 from Sfr1.4155; and to FFr5.5625 from FFr5.5950. The dollar's index fell to 66.4 from 66.8.

index fell to 66.4 from 66.8.

The D-Mark showed little movement against other members of the EMS exchange rate mechanism as dealers continued to weigh up the implications of German monetary union. Initial reaction was that the introduction of the D-Mark into East Germany had been into East Germany had been handled smoothly. The German unit remained towards the bottom of the EMS, but finished above the weakest placed French franc.

Among currencies confined to the narrow 2.25 per cent band of movement the Italian lira remined the strongest EMS member, but weakened against the French franc and the D-Mark at the Milan fixing.

EUNO-CURRENCY INTEREST RATES								
J# 2	Short. term	7 Days notice	One Month		nge ntitis	Stx Montiles	One Year	
terling S Dollar an Dollar , Gulder , Franc eutschmark r, Franc allan Lira et et of Krone clan SSing	8-72 91-91 81-71 10-91 13-11 91-91 101-10 81-84	15-14-18-18-18-18-18-18-18-18-18-18-18-18-18-	455 455 455 455 455 455 455 455 455 455	85	83.2 81.3 81.3 81.3 81.3 81.3 81.3 81.3 81.3	\$8558888578788 \$855888578788 \$85588578788	145-142 3.2-2-3 13.2-2-3 811-83 811-83 103-103-103-103-103-103-103-103-103-103-	
ong term Eurodolfars: two years 84-84, per cent, three years 84-84, per cent; four years 9½-89 per cent; flow ears 9½-9½ per cent combinal. Short term rates are call for US Dolfars and Japanese Yea; others, two days' notice.								
POUN	ID SPOT-	FORW/	ARD AG	AIR	ST	THE P	DUND	
Jely 2	Day's spread	Close	One me	arth .	% 92	Three properties	P.E.	

rimerk	178.20-179.55 2131.4-2146.4 11.184-11.23 9.76-9.81.4 10.534-10.60 2654-2674 20.41-20.54 246-248 1.4100-1.4125	1110½ - 11.11½ 1.0875- 1.0855 2.92½ - 2.92½ 2.55, 90. 255, 90. 179.10 - 179.40 1.162; - 1.123 9.80½ - 9.81½ 10.58½ - 10.59½ 2.654 - 2574 2.656 - 20.53 2.47 - 2.48	41-33 mean 0.45-0.40gen 13-13 phps 111-25-cits 8-64reps 41-35-ces 8-64reps 41-35-ces 11-15-ps 11-15-ps 11-15-ps 0.61-0.50cps diag. Sta-month 6	4.66 4.69 6.92 -8.59 -0.27 3.91 4.14 5.05 7.59 6.21 5.76	123-11,m 130-120m 45-45 pm 180-88 m 19-17 pm 10-9-17 pm 65-53 pm 45-45 pm 30-255 pm 154-1-47 pm 154-1-47 pm	209 -9.11 3.35 3.47 4.51 2.22 6.94 5.74 5.45 4.29
er i Erich	· · · · · · · · · · · · · · · · · · ·	_				
	Day's	FORWAR		%	Three	%
July 2	Day's spread 1.7515 - 1.7640	Clase 1.7630 - 1.7640	Gre worth	% p.1 6.80	Three esontias	% pa. 6,32
July 2	Day's spread 1.7515 - 1.7640 1.6175 - 1.6215 1.1605 - 1.1650 1.8600 - 1.8655 33.95 - 34.10	Cless 1.7630 - 1.7640 1.6195 - 1.6205 1.1610 - 1.1620 1.8645 - 1.8655 34.00 - 34.10	Ger worth 1.01-0.99cpm 0.26-0.21cpm 0.52-0.55cds 0.03-0.01cpm 1.00-5.00cds	6.80 1.74 -5.52 0.13 -1.06	Three esontiss 2.80-2.77 per 0,65-0.55 per 1,46-1.51 dis 0,01 per 0,05 dis 5,00-13,00 dis	% pa 632 148 -511 -096 -106
	Day's spread 1.7515 - 1.7640 1.6175 - 1.6215 1.1605 - 1.1650 1.8600 - 1.8655	Clase 1.7630 - 1.7640 1.6195 - 1.6205 1.1610 - 1.1620 1.8645 - 1.8655	Gne worth 1.01-0.99cpm 0.26-0.21cpm 0.52-0.25cdis 0.03-0.01cmm	6.80 1.74 -5.52 0.13	Three months 2.80-2.77pm 0.65-0.55pm 1.46-1.51:8s 0.01pm-0.05ds	% p.a. 6.32 1.48 -5.11 -0.06

eden 5.9 pan 150 stria 11.6 htzerland 1.3 12 12 mesercial sites 1	.35 - 5.564 175 - 151.65 15 - 11.655 180 - 1.4065 445 - 1.2485 alon towards and discounts	151.20 151.30	0.78-0.63085 2.09-2.26oretis 0.12-0.10gm 0.20-0.60grodis 0.09-0.13edis 0.58-0.55cpm uling, † UK, treiam or and not to the is	-1.74 2.45-6 -4.20 6.05-6 -0.87 0.27-0 -0.41 0.26-1 -0.94 0.26-1 -0.94 1.55-1 and ECV are quot dividual corrects.	40dis -4.15 24pm 0.67 .70dis -0.39 .32dis -0.83 .50pm 4.89			
EM\$	EURO	PEAN CU	RRENCY	UNIT RA	TES			
	Eco centro rate	al amounts	% change from tentral raid	% change adjected for dhrespence	Ofrergeste (lant), %			
igher Franc mish Krone man D-Mark mech Franc ich Gelider th Pont lian Lira	- 204 6.85 - 230	645 7.85122 446 2.06253 684 6.92810 958 2.32133 970 0.764992	+0.68 +0.88 +1.04 +0.77 +0.78 -0.98	+0.32 +0.44 +0.65 +0.53 +0.53 -1.22 -1.46	±1.5508 ±1.6453 ±1.1762 ±1.3618 ±1.5272 ±1.6689 ±1.5162 ±4.2705			
anges are for Eco lessonent calculat	nges are for Eox, therefore positive change denotes a weak currency .							

	EXCHANGE CROSS RATES									
Joly 2	. €	5	DM	Yes	Ffr.	S Fr.	H FL	Um	CS	BF
\$	1	1.764	2925	266.8	9.810	2475	3.290	2146	2.049	60.0
	0.567	1	1.658	151.2	5.561	1403	1.865	1217	1.162	34.0
DM	0.342	0.603	10.%	91.21	3.354	0.846	1.125	733.7	0.701	20.
YEA	3.748	6.612		1000.	36.77	9.277	12.33	8043	7.680	225
F Fr.	1.019	1798	2.982	272.0	10.	2.523	1354	2188	2.089	61.7
S Fr.	0,404	0.713	1.182	197.8	3.964	1	1329	867.1	0.826	24.7
H Fi. Lira	0.304 0.466	0.536 0.822	0.889 1.363	81.09 124.3	2,982 4,571	篮	1533	652.3 1000.	0.623 0.955	18.2 27.9
CS	0.488	0.861	1.428	130.2	4.788	1.208	1.606	1047	3.412	29.3
B Fr.	1.665	2.938	4.671	444.3	16.34	4.122	5.479	3574		100

FINANCIAL FUTURES AND OPTIONS

LIG OS	NG GELT F	UTURES	OF 1.10HS		LEFFE DE \$1,00,000	TREASE 640s of		UTURES	6971
te 23456789	Calls-set Sep 3-50 2-63 2-20 1-47 1-16 0-36 0-37 0-25	tiements Dec 5-00 4-19 3-42 3-04 2-35 2-05 1-44 1-22	Pets or 5-26 0-26 0-39 0-60 1-23 1-56 2-32 3-15 4-01	ttlements 0-60 1-15 1-38 2-00 2-31 3-40 4-18	Strike Price 91 92 93 94 95 95 96 97 98	Calls of Sept. 3-34 2-46 1-62 1-24 0-50 0-37 0-22 0-13	Dec 3-56 3-14 2-41 2-08 1-44 1-20 1-00 0-48	Puts 92 5ep 0-24 0-36 0-52 1-14 1-48 2-27 3-12 4-03	14 14 14 24 34 44
ated es d	wolume to ay's upen is	tal, Calls : x. Calls 17	316 Pets 232 Pets 1	700 12891	Estimated Previous d	enlante t ay's open i	otel, Calls i et. Calls 17	210 Pets 52 Pets 1	0 294

ed ed	LONDON (LIFFE)
ed nt	26-YEAR 9% NOTIONAL GR. £58,000 32mb of 100%
an AS	Close High Sep 85-12 85-21 Dec 86-02

LIFFE EURSMANK OPTSIK Dille point of 189%

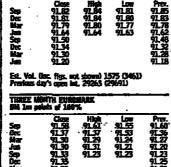
CURRENCIES, MONEY AND CAPITAL MARKETS

	SURY MONDS 8 State of 1849	
Sep Dec Mar	Glose 94-05 93-27 93-21	High Low 94-30 94-03
Estimates Prenious	i volume 1304 (day's open Int. !	26091 3966 (61 <i>67</i>)
6% NOT	BHAL GERMAN 00 lights of 1	60VT. 80HD 90%

Cless High Low 83.38 83.50 83.13 83.24 83.18 83.11 Sep Estimated volume 19282 (21945) Previous day's open let, 59460 (59690)

BOND YIL	No 1995:	_		
Sep Dec	94.02 94.32	1tigh 94.07	94.00	94,13 13,46 11,46
Estimated Previous d	volume 86 lay's open in	0.98) L. 930 (89	.	
THREE M E509,600	Will Stek public of 1	16%		
Sep Onc	55.50 86.30 87.02	High 85.52 86.31 87.94	85.45 86.22 86.98	Pres. 85.53 86.31 87.05
Sep Onc Mar Sep Onc Dec	87.51 87.88 88.10 88.08	87,52 87,90 38,11 88,08	87.47 87.85 88.07	87.52 87.89 88.11 88.11
Mar Jun Sep Det	88.00 88.00 88.02	88.00 88.02	88.07 88.00 88.02	88.04 88.04 88.08
Mar Jan	88.02 88.02			88.06

Est., Vol., Cloc. figs. not showed 15322 (2533) Previous day's open lat., 176192 (171009)



Estimated volume 3785 (8948) Previous day's open int. 63616 (63680)

	hejsy it 18 Hejsy it 18	e%.		
	Close	High	TO-	_
jau pe: Seb	99.65 89.64 89.73	89.64	89.64	8
	i volume 1 (day's open in		505)	
打集 1 (25 pt	ið Rigex fall lades pai			
Sep Dec Mar	Clase 2441_D 2494.5 2544.5	High 2461.0 2515.0 2563.0	Low 2431.0 2490.0 2543.0	24 25 26

Estimated volume 3196 (7377) Previous day's open lat. 17374 (16369)

OUND-S (FO		SAME)		
Sport .7635	1-mth. 1.7535	5-mb. 1.7357	6-mth. 1.7098	12-exh. 1.6706
MR SLEDFIN	6 % per (
er er	Lated 1,7378 1,7120	High 1,7380 1,7120 1,6880	Leu 1.7344 1.7090	Pres. 1.7256 1.7004 1.6772

nth, of the bid and offered rates for \$10m

8 30-8-50

144 13450

One Year

14% 14% 5.40 9% 10% 10%

FT LONDON INTERBANK FIXING

MONEY RATES

7.95-8.10

LONDON MONEY RATES

Trussery Bill's (sell); one-month 142, per cent, three months 143, per cent, Bank Bill's (sell); one-month 1415 per cent, three months 143, per cent, Tressery Billis, Alerage tender rate of discount 14.3, 188 p.c. ECCD Fixed Rate Sterling Export Finance. Make up day June 29, 1990. Agreed rate for period July 25, 1990 to Agreed 25, 1990, Scheme; 15, 64 p.c., Scheme; 18, 181 16.25 p.c. Reference rate for period June 1, 1990 to June 29, 1990, Scheme; 18, 187 to 15, 187 p.c. Reference rate for period June 1, 1990 to June 29, 1990, Scheme; 18, 187 to 15, 187 p.c. Reference rate for period June 1, 1990 to June 29, 1990, Scheme; 18, 187 to 17, 187 p.c. Bank Beposit Rate; for sents at seven days notice 4 per cent. Certificates of 7 ax Peposit Series 61, Deposit, Edites for sents at seven days notice 4 per cent. Certificates of 7 ax Peposit Series 61, Deposit, Edites 120, 000 and over held under one month 112 per cent, one-three months 13 per cent; three-time months 13 per cent; three-time for the period of the period

الأنجاب الجرووجي بتنويره بالماكات

Treasury Bills and Bonds

8.00-8.15

Three Months

CLLOD a.m., July 2) 3 months US dollars

7.90-8.00 98-103 81, 84 7 62-7.75 711-711 113-1112 8.15 101-103

15½ 14½

14%

7.85-8.00 91,-92, 82,-94, 7.95-8.05 72,-72 11-115, 93,-92, 10%-104

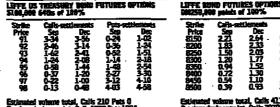
15 14%

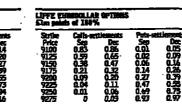
14/2

NEW YORK

July 2

(Lunchtime)





CHICAGO Latest High Low 94-06 94-11 94-02 93-28 94-00 93-26 93-10

SWESS FRANC COME SP: 125,000 S per SP:

PRELABELPHEA SE 4/5 OPTIONS E31,280 (cods per 61) Pots Aug 0.20 0.51 1.05 2.18 3.78 5.75 10.50 8.12 6.11 4.51 2.31 1.69 June Estimated volume 23,517 Total Open Interest 64,631

PBIS Dec. 0.34 0.78 20,2% 4.750 THESE-MONTH PERON FUTURES OLATIES (Park Infections official rabe

e 2,429 Total Open Interest 18,142 CAC-49 FUTURES CHATTET Stock ladex 0pen 2038.0 Crassge +4.5 +8.0 High 2047.5 Open let 5,622 September 2056.0 2056.0 December Extimated volume 2,673 Total Open Interest 5,935

BASE LENDING RATES

ARE Rank

	ADU DOM PROFILE			בנ		כנ
	Adam & Company	15	Oppres Popular Bk		Northern Bank Ltd	15
	Allied Trest Back	15	Dushar Bank PLC	15	Mykredit Mortsage Back	154
	Allied Irish Baet	15	Dancae Lawrie	15	Provincial Baris PLC	16
þ	Henry Anstracter	15	Equatorial Bank etc			
	Associates Cap Corp	154		154	Royal &k of Scotland	<u>ı</u> 5°
ì	B & C Merchant Bank	15	Financial & Ges. Bank		Royal Trest Basik	35
	Bank of Baroda	15	First Matienal Bank Pic.	164	● Smith & Willemson Sees	ī
	Banco Bilbao Vizcaya	15	@ Robert Flewing & Co	ĬŠ`		<u>75</u>
	Bask Credit & Comm	15	Robert Fraser & Ptors	<u>15</u> 6		
	Bank of Cypnis	15	Girobank	īs"	Unibank ple	īī
	Back of Ireland	15	● Sainness Mahen	Ĩ5	C United Ble of Kennett	ĭ
	Bank of India		KFC Bank plc	īī		ĩ
	Bank of Scotland		Hambros Bank	ĩ	Unity Trest Bank Pic	
	Bancae Belge Ltd		Hampshire Trest Pic	Ĭъ	Western Triest	갩
	Bardays Bank		Heritable & Gen Inv Bok .	ĩ5°	Westpac Bank Corp.	ᇎ
	Benchmark Bank PLC	15		ย์รี	Whiteaway Laidlay	ᇎ
	Brit Bk of Mid East		C. Reart & Co.	Ĕ	Yorkshire Bank	문기
	Bream Shipley		Hengkong & Skargh	15	JUI EXIST DANK AND STREET	כו
١.	Cl. Back Rederland	ĭ	Leopoid Joseph & Sons	ï	a Market of Dalita state	
	Charterbouse Bank	ĭ	Lloyds Sank		Members of British Men	
	Citibaek NA	15	Medisai Bank Ltd	뜵	Banking & Securities He	
			McCanadi Dank LIII	15	Association. * Deposit now 5	
	City Merchants Bank		McDonaell Douglas Bak .	15	Satewise 8.5%. Top Tier-050.0	XXII
	Chydesdale Bank	15	Midland Bank	15	instant access 13.7% & Mort	架
	Comsa. Bik. of London Pic		Mount Banking	15	base rate. § Demand deposit.	770.
	Co-operative Bank	-12	Hat Blk of Kennett	15	Mortgage 15.2% - 15.95%	

SPONSORED SECURITIES

High	Low	Company	Price	Change	div (p)	7.	PJE	
343		Ass. Brit. Ind. Ordinary	278	9	10.3	3.7	7.5	
38	19	Armitage and Rhodes	25	0	-	-	-	
210	135	Bardos Group (SE)	153	+1	4.3	2.8	14.9	
125	96	Bardon Group Cr Pref (SE)	97	0	6.7	6.9	-	
123	70	Bray Technologies	70	0	5.9	8.4	6.2	
110	82	Brembili Conv. Pref	82	0	11.0	13,4	-	
315	285	CCL Group Ordinary	315	0	18.7	5.9	25	
176		CCL Group 11% Corn. Pref	165	0	14.7	8.9		
225	140	Carbo Pk (SE)	215	9	7.6	3.5	126	
110		Carbo 7.5% Pref (SE)	210	0	10.3	9.4		
7.5	0.125	"Magget Go Ron-VotingA Cay	0.1	0		-	-	
7.5	0.125	"Magnet Go Non-VotingB Cov	0.1	0	-	-	-	
130	59	Isis Group	59	0	8.0	13.6	3.4	
145	58	Jackson Group (SE)	119	. 0	3.6	3.0	13.8	
345	243	Multinouse NV (ArastSE)	325	0	-	-	-	
15B	98	Robert Jenklas	730	0	10.0	7,7	4.7	
467	320	Scruttors	325	e	20.0	6.2	9.0	
165	106	Beistret Europe Conv Pref	167	+2	9.3	5.6	-	
395	235	Veterinary Drag Co. PLC	236	0	22.0	9.3	6.3	
384	278	W.S Yestes	384	+2	16.2	4,2	32.0	
Secr	rilles d	lesignated (SE) and (USM) are deal	. In subjec	a to the roles	भागे त्युप्री	tions of	the	

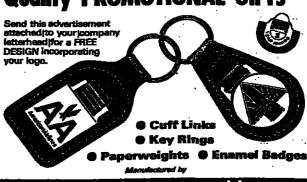
Independent Companies Exchange Limited 77 Mansell Street, Lindon El 8AF Telephone 071-488 1212 Member of TSA

-11 GROSVENOR GARDENS, LONDON SWIW OBD Tel: 071-828 7233 AFBD member WALL STREET FTSE 100 July. 2394/2404 +2 July. 2892/2904 +12 Sept. 2438/2448 +3 Sept. 2913/2925 +13

Granville Davies Limited anell Street, London E1 SAF Telephone 071-488 1212 Member of The ISE & TSA



Quality PROMOTIONAL GIFTS



Manhattan-Windsor

STEWARD STREET, BIRMINGHAM, B18 7AF, England. Fax: 021-454 1497. ctors to H.M. Gove

LEGAL NOTICES

To advertise on the

Arts or Leisure pages please ring Julia Carrick 071-873 3176

MASONRY FACINGS LIMITED

Registered cumber: 1889:18
Nexture of business: Dealers in Bricks
Tracte classification: 25
Date of appointment of joint administrative
rectevers: 21 June 1990
Name of person appointing the joint administrative
receivers: Barcleys Sanit pic
DAVID ROBERT WILTON and IAN NAPER
CARRUITHERS
Joint Administrative Receivers
(office holder nos 5373 and 814) of
Cort Guilty
43 Temple Row
Barcleystam

LEGAL NOTICES

•

Marie Company of the Party of t

Ereasy. ----

د الله المحارجة (المحارة (

The second secon

IN THE MATTER OF GLOBALHILL PROPERTIES LIMITED .

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

NOTICE IS HEREBY GIVEN that the Creditors of the above named company, which is being voluntarily wound up, are required, on or before the 28th day of August 1950 to send in their full christian and surmanes, their addresses and descriptions, full particulars of their debts or delaine, and the names and addresses of their solicitors (if any) to the undersigned SUR-BIT KUBAR SEMBLA, FCA of SINGLA & COMPANY Chartered Acoustants, 49 Queen Victoria Street. London ECAN, the Liquidator of the said company, and it so required by notice in writing from the said Liquidator, are personally or by their solicitors, to couse it and prove their dates or claims at such time, and place as shall be specified in such solice, or in default themsoft they will be excluded from the benefit of any distribution made before such debts are

S.K. SINGLA Liquidator

ARCHITECTURE

The Financial Times proposes to publish this survey on:

5th September 1990

For a full editorial synopsis and advertisement details. please contact

Joanna Shacklock on 071 873 3269

or write to her at:

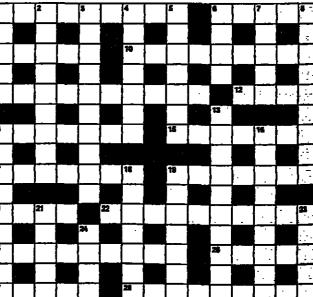
Number One Southwark Bridge London SEI 9HL

FINANCIAL TIMES

JOTTER PAD

CROSSWORD

No.7,279 Set by DINMUTZ



ACROSS 1 The best one can do in the underworld? (9)

6 Harris, perhaps, in the river? (5) 9 Bones found in circle lines 10 Showing anxiety in outer

shum crumbling (9)
11 They call "fore" going round
Carnoustie (10)
12 Parking on border of grass

(4) 14 Run wild with butter paper (7) 15 Doctor to loosen red cost,

15 Doctor to loosen red coat, say (7)
17 Silent comedian acting a piece in Moby Dick? (7)
19 Soldier's uniform (7)
20 Polite cough taken up by seamstress (4)
22 Software dealer gets order of events right (10)
25 Is Poiror's new style to be played animatedly? (9)
26 This instrument is changing pitch...(5)

pitch...(5)but dead right, subse-

27 ... but dead right, subsequently (5)
28 Loco Les, master of American terms (9)
DOWN
1 Produce endlessly elaborate style of architecture (5)
2 Medium, Mrs Strange, at the height of the silly season?

(9) .
3 Boxing-match that kills (10)

第二个日本公司的"四本"并中国建立中国政策的企图

(5) 24 The last certiage? (4) Solution to Puzzle No.7,278 RHUBARD RETUTION A 2 1 2 U H W E MEANT WORWEGIAN E U C E E 3 8 B KNIPHOFIA EXTRA FIGHU PREPACKED
U I R A L L S W
SEGMENTAL JRACL
A A A E E B N E
LORIMER OWNHALL

4 Understanding French? (7) 5 Article more involved in log-

ical statement (7) 6 Instructed, we hear in tense

7 Run off irregularly with

sweetheart? (5)
8 Paper said to collapse and vanish without trace (9)
13 Having celebrated with girls, shades needed (10)
14 Preparation for the night (9)
16 Record reading? (9)
18 Quarrel between Poiss, say, peters out (7)

peters out (7)
19 Tease with grub as a sort of bait (7)

21 Order of the shorter English dictionary? (5)
23 Bucolic, like Cobbett's rides

one property of the person of The second secon Tre Contraction the Thinks

स् अवत्रक्षाः स्वित्रहः स्थः १ महा १० स्वर्गानित्रामा

...

to public is

d advertise

OTTER PA

ID MAK

)90

	<u></u>	CK MARKETS
ALESTRIA Suby 2 Suby + our Justy 2. Fox. + ter-	GERMANY (CONTROLS) 11/65 (CONTROLS) 3WEIGHT SWEIGHT AND 15/65 AND	CANADA
Association Action Actio	Septiment 1995 145 146 147 148 148 149	Sales Stock High Low Close Chap High Low Close
BENNASK	No. Proc.	## 400 Cara A \$177 174 174 4 4 4809 mp OIA \$343 34 34 34 34 34 34 34 34 34 34 34 34
Reyal Chapter A 1990 Sopher Berendson 1,320 Super Septem 1,520 Super Septem	Trally Judy 2	Transport 1144.16 1144.34 1142.79 1140.88 121.27 123.28 123.29
Airingse Occiden 570 -5 Airingse AG 1284 83 Air North Company - 1	Partill Size 2,577	NEW YORK ACTIVE STOCKS
Carlos Ford		TOKYO - Mest Active Stocks Monday July 2 1990 Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Closing Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restricted Prices on day Individual Eng & Stocks Change Restr
Diesel KTH	Ohrmon	AMEX COMPOSITE PRICES 4pm prices July 2
Farnet	Victor LPVC 12,550 1	Stands

- A-A-A- Series of the serie Affi 1A. Accrep Analog
| The color of the 8% HO HE 151 HRE 1.00 115 HRE 1.00 115 HRE 1.00 115 Hadron 25 Half 15 Handon 25 Half 15 Handon 17 Handon 175 Handon 271, H90CP 230e
251, H90CP 230e
251, H90CP 1.08
151, H234H
151, H234H
151, H234H
151, H234H
151, H234H
151, H234H
152, H234H
152, H234H
152, H234H
153, H234H
153, H234H
153, H344H
153, H3

| Section | Proceedings | Proc 251 Lights 1.40
252 Lights 1.40
253 Lights 1.40
254 Lights 1.40
254 Lights 1.40
255 Lights 1.4 -4722

22 Marcher 1.25s Seyer 1.25s S

Keepi

lised to be:
still. These:
history for e

Happi
Problem in
Becai.
transmitted
locally for t
hotel or or hotel or on

AND POSITION OF THE WAS THE WA

Address of the Manuscript of the second seco

25 | 200 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 | 201 25% Wohert #1.04 6% Window 15% Window 1.06 33% Window 1.06 33% Window 1.06 33% Window 1.06 45% Xarnax 3.0 21% XIRA 45 13% XIRA 61 13% Zapata 13% Zapata 1.0 22% Zapata 2.0 13% Zapata 2.0 No FT?

NASDAQ NATIONAL MARKET

| Property of the state of the st GibbA s 72 GishBa s 73 GishBa s 75 GishBa STREAM 20 CHILDREN 144 57-74-55

New Control of the Co

Have your FT hand delivered charge, if you work in MILANO -ROMA — Contro Storio Eur, Parioli NTERCONTINE 3. r.l., MILANO PROMETALTIME

Tubeco Tubeco
Tubeco
Tubeco
Tubeco
Strat
Tubeco
Typeco
Typeco

No problem in Japan.

used to be something of a challenge. The world seldom stands still. These days, in fact, just a few hours can be enough to change history for ever. Happily for FT readers, staying in touch is now no longer a

problem in Japan. Because we now publish in Japan six days a week —

Keeping up with the news when you travel to the Far East

transmitted overnight by satellite direct from London, and printed locally for the start of the working day. Ask for your copy at the hotel or on the news stands, in Tokyo or in other major Japanese cities. If you're a resident, we'll hand-deliver the FT to your office

in central Tokyo, first thing every day.

call Tokyo (03) 295 1234 now

Spire in S

NESS Robert T

Me he nood

mining name ...

ET STORE ET

ETE STONE ST.

Service of Party of Service of Se

apped to be a

इक्र स्टार्ट करण शहर

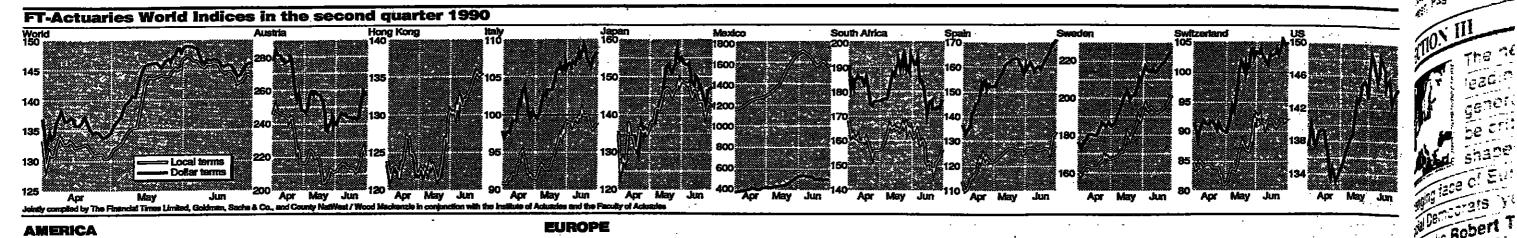
eringer and

क्षेत्र होता हरायाँ यहरू कृष्ण होता होता स्थल

Birm affalled in the

Tel Scandic Cros the new 4 de in London.

thookiands, Eusin a be preci secret of our suc dish quality of ser Ped over 25 years. We have much to city our stylian bedroe he wood de cor. te attroome and omortable bed.



Quiet equities anticipate Fourth of July holiday

THE PROSPECT of Wednesday's Fourth of July holiday helped keep equity trading in check through most of the day yesterday in dull trading before a late burst of futures-related programme selling pushed equities higher, writes Kayen Zagar in New York.

Karen Zagor in New York. The Dow Jones Industrial Average closed 18.57 points at 2,899.26. Volume on the New York Stock Exchange was light, with 130.4m shares changing hands. On Friday, the Dow was quoted 1.98 points higher at 2,880.69.

Although the Dow gained ground yesterday afternoon, the overall tenor of the market was mixed, with advancing issues having only a slight edge on those declining, by 779 to 736. Among other market indices, the American Exchange Composite was off 1.07 points at 360.14, while the Standard & Poor's 500 added 1.50 points to 359.52.

The market was unmoved by June's purchasing mangers' index, which increased 51.1 per cent, after rising 50.7 per cent in May. An increase of more than 50 per cent is interpreted as showing an expansion in

manufacturing.
A number of blue chip issues moved higher yesterday, including IBM, which added \$1% to \$118%; Philip Morris, which rose \$\% to \$47; Johnson & Johnson, which gained \$2 to \$69%; and American Telephone \$9% to \$45% after the company received a takeover bid of \$44.50 a share, worth about

a leveraged buy-out firm.
Among other takeover issues, Kay Jewelers soared \$3% to \$14% after agreeing to a stock-swap deal with Ratners Group of the UK, which values Kay Jewelers at \$17 a share. Long Island Lighting added \$% to \$20 after Kidder Peabody increased its investment rating on the stock after an appeals court upheld a 1989 settlement between the company and rate-

\$1.6bn, from Forstmann Little,

Among other utility issues, Teco Energy added \$% to \$29%; Potomac Electric Power was up \$1/4 at \$21: Pacific Gas & Electric slipped \$% to \$23%; and PacifiCorp was unchanged

Frankfurt rises on German monetary union

GERMAN monetary union was spiced by individual situations in Amsterdam, Paris and Milan yesterday, writes Our Markets Staff.

FRANKFURT celebrated

monetary union, and the strong performance of the D-Mark. Domestic institutions and traders took the FAZ index up 9.54 to 805.18 at midsession and the DAX by 35.40, or 1.9 per cent, to 1,915.80 at the

This leaves the indices just 3.1 and 2.7 per cent below the highs that they reached on April 3 and March 30 respec-tively; and there is domestic support for the thought that they could be 10 or 20 per cent bigher by this autumn. However, old hands are ques-

tioning whether this raily has yet begun. They want to see foreign buying, a sizeable fall in bond yields, and some proof that East German spending and reconstruction problems can be ingested safely.
Volume rose from DM5.8bn
to DM7.5bn. The Bundesbank's average bond yield fell another three basis points to 8.83 per cent. Some blue chips outpaced the market, with Slemens up DM20 at DM768.50, Deutsche Bank DM16 at DM811.50, Daim-

ler DM17.50 at DM861 and Volkswagen DM17 at DM7640, a new high for the year. Chemi-cals lagged behind, only mod-estly higher with their earnindustry cycle.

Allianz, which has recently joined the front runners, also made a new high, with a DMS3
gain to DM2,848. It gained
approval late yesterday from
East Germany's cartel office for its assumption of control of the country's state-owned insurance group, Stätlichversicherung.
The cartel office ruled against the planned takeover

of East Germany's energy net-work by three West German utility-oriented companies, Veba, RWE and Bayernwerk (40 per cent owned by Viag). Yet RWE rose DM11.50 to DM507.50, Veba DM7.50 to DM449 and Viag by DM7.50 to

AMSTERDAM saw Philips, the electronics group, drop 7.3 per cent after Mr Jan Timmer, the new president, forecast a Fl 2bn loss for 1990 compared with a Fl 1.37bn net profit last year. The loss will follow restructuring moves, including a cut in the workforce of 290,000 by about 10,000, for which the company is setting aside F12.7bm. The blue chip stock lost F1240 to a year's low of F130.70, although it ended above its day's low of

Figures for the first five months revealed that Philips' difficulties were more widespread than expected, and not

SOUTH AFRICA

FURTHER gains in the bullion price lifted Johannesburg gold shares, but trading was mostly cautious. The JSE gold index rose 58 to 1,580, but the industrial index was little changed. Vaal Reefs rose R10.50 to R303 and Rustenburg Platinum added R2.50 to R89.50.

confined to the computer systems and chip businesses, said Mr Will Gooskens of said Mr Will Gooskens of James Capel in Amsterdam. The stock was likely to trade within the Fl 30-Fl 35 range for the next few months, said Mr Gooskens, depending on the company's decision on whether or not to pay a dividend. Philips' earnings news meant a nervous day for other blue chips, with most easing in moderate trading of Fl 494m. of

moderate trading of Fl 494m, of which Fl 59m was accounted for by Philips. Insurers, however, rose after a favourable newspaper report, with NatNed up 80 cents at Fl 73.80 and Aegon Fl 1.20 higher at Fl 131.30.

Infotheek, the automation company, rose Fl 1.50 to F131.50 after it predicted a rise in 1990 turnover and announced that it would take 57 per cent of Formula Micro, a Danish computer dealer. The CBS tendency index was

unchanged at 121.5.

PARIS had a quiet session as foreign investors concentrated on West Germany. Even a rise in the Matif failed to inject life into the equity market, where the CAC 40 index closed at 2,029.54, down 5.49, after moving within a nine-point trading range all day. Turnover was estimated at FFr2bn after FFr3.3bn on Friday, when there had been some

active trading of blue chips.
One of the few significant movers yesterday was Esso France, which gained FFr33, or 4.1 per cent, to FFr339 on speculation that the company will receive the state of the company will be the company will be the company will be the company will receive the state of the company will be the company receive a higher-than-expected price for its Paris headquar-ters. Scoa, the trading group, slipped 80 centimes to FFr25.20 in active trading after a 25 per cent block was traded. A total of 922,800 shares of Scoa changed hands.
MILAN fell in response to last Friday's statement by Mr

holding company fell L100 to L5,400 in sympathy. MADRID rose in the afternoon after a weak start, with the general index gaining 1.45 to 297.25. Fecsa, the electrical utility, gained Pta16 to Pta678 after Friday's news of a return to profit. HELSINKI declined in thin

Gianni Agnelli, Fiat chairman, that the carmaker was unlikely to repeat its 1989 record earn-ings this year. The mechanical

and automobile sector index fell 2.4 per cent, twice as fast as the Comit index, which fell 8.65 to 745.11. Fiat was heavily sold, dropping L339 to L9.900. Elsewhere in industrials, Oli-

vetti continued last week's slide on bearish earnings expectations for 1990, and slipped L166 to L6,419 before edging up to L6,450 after hours. Mr Carlo de Benedetti's CRR

trading, with the Unitas all-share index losing 5.9 points,

Ibusz steadies after lively debut

By Nicholas Denton in Budapest

THE SHARE price of Ibusz, the Hungarian travel agency, has stabilised at a high mark-up on its issue price following the violent fluctuations which characterised the company's initial trading on the Budapest

and Vienna stock markets.

Ibusz shares closed yesterday at Fi9,600, almost double the F14,900 of last month's public offering, which was 23 times oversubscribed. The latest price values the company at F11.5bn (\$180m).

The share price has been volatile because of unsatisfied demands from foreign investors, as well as political con-troversy over the method of

Budepest \$E Ibusz Ratio of turn- Ibusz 93.1 88.5 Jun 27 100

flotation. Prices peaked at Ft12,500, but fell back sharply late last week after Mr Gyorgy

ter, criticised the joint listing on the Vienna market. A parliamentary committee hearing into the matter on July 5 could revive the market's nervous-Ibusz is the first Hungarian company to be privatised by means of a public offering and

flotation, and its shares are the

only ones formally listed on the newly opened Budapest

Matolcsy, a government minis-

Stock Exchange.

Dealing in the company's shares, therefore, has dominated the BSE since they were floated on June 21, the day the exchange opened. Yesterday, no other stocks were traded.

Nikkei average tops 32,000 again

Tokyo

RECEDING fears of an imminent increase in the official discount rate led to late strength in equities yesterday, which took the Nikkei average over 32,000 again, writes Michigo Nakamoto in Tokyo. Early uncertainty hung heavily over the market and share prices eased in dull trading. Investors had remained sidelined, in spite of a strong rise in the yen, as interest rate fears grew. However, stability on the bond market drew

investors into earnings situations later in the day; with some bargain-hunting, and some arbitrage buying too, the Nikkei rebounded to finish up 219.09 at the day's high of 32,160,23.

32,160.23.
The low was 31,766.
Advances led declines by 520 to
405 with 195 unchanged. Volume was 380m shares, down
from Friday's 550m; the Topix
index of all listed shares
gained 5.34 to 2,348.70; but, in
London, the ISE/Nikkei 50
index eased 0.81 to 1.759.29 index eased 0.81 to 1.759.29.

There was a lack of institutional commitment. International events such as German monetary union, the upcoming Communist Party Congress in the Soviet Union and the Houston summit of the Group of Seven leading industrial nations kept institutional investors cautious.

"On German influence, the

perception is that there is not going to be as much of a squeeze on rates as previously feared," said Mr Paul Muller at

MATIONAL AND

take some time, however, to determine the impact on German interest rates and, in the meantime, investors fear rates at home look more likely to rise before they fall.

more volatile share prices, which are likely to benefit from the increased ten-year public spending target agreed in the Structural Impediments Initiative talks with the US. Maeda Road Construction, a firm with good business results and a small equity capitalisa-tion, gained Y160 to Y3,010.

on prospects of increased business; the government is expected to allocate 60 per cent of its public works spending to hous-ing and sewerage systems. Daiwa House Industry, Japan's second largest home builder, rose Y50 to Y2,590 in active

Earnings situations included Tokyo Steel Manufacturing, an electric furnace steelmaker which surged to an ex-rights high of Y4,700, up Y120. Inves-tors responded favourably to the company's forecast of record pre-tax profits in the year to March 1991 after record domestic crude steel production. The low price/earnings ratio of the issue also encouraged buying. Tokyo Steel Man-ufacturing was first in volume with 9.8m shares.

Godo Steel, another issue with a low p/e, rose Y120 to Y2,070 on expectations of

higher demand for steel products due to increased public works spending also gave medium-sized steel issues sup-

at \$21%. Concern about second quar-

ter earnings continued to domi-nate trading. Smith Corona,

which said it expects to post "a

small loss" in the June quar-ter, fell \$% to \$5%. The com-pany also said it might reduce its quarterly dividend to about 5 cents a share from 15 cents.

In over-the-counter trading, the NASDAQ Composite slipped 0.25 to 462.04 in late trading. Regency Cruise was unchanged at \$2½ in heavy trading; Apple Computer fell

\$% to \$44; and MCI Communi-

cations was unchanged at \$41%. Digital Sound dropped

\$4% to \$5 after the company

said it would probably record a loss in the second quarter. Pathe Communications,

which has run into trouble

over the financing of its take-over bid for MGM/UA, closed unchanged at \$3%. The com-pany is being sued for \$100m by Time Warner after the col-

lapse of an accord whereby Time Warner had agreed to lend Pathe \$650m for the take-

over. Shares in Time Warner dropped \$% to \$100 yesterday, while MGM fell \$% to \$16%.

Toronto was closed for Can-

rise before they fall.

Buying focused on special situations, such as the smaller recently popular high-technology issues undermined share the OSE average lost prices. The OSE average lost 130.91 to 35.437.05 on volume of 53m shares, down from 63m on Friday.

Roundup

index gained 41.23 to 3,319.47. Laggards and second-line ing group, rose HK\$1.25 to HK\$4.40, Hang Seng Bank gained 40 cents to HK\$21, and

record profits in the year to March 1991. The prospect of

CONFIDENCE was high in Hong Kong and Thailand, which advanced in busy trading, but other leading markets were mostly weaker. Kuala Lumpur was on holiday and Taipei was shut for the stock exchange and the banks to clear their books at the start of the new financial year. HONG KONG rose 1.4 per cent to a post-October 1987 crash high in heavy turnover of HK\$2bn, up from Friday's HK\$1.72bn. The Hang Seng

Dairy Farm, which recently bought a New Zealand grocery chain, added 25 cents to

stocks attracted most of the buying interest.
World International, a trad-

There was selective buying in the property sector, with Cheung Kong, Hang Lung Development and New World

Development each rising 10

HK\$11.60 respectively.

BANGKOK continued to rise in an active session, with the SET index rising 22.45, or 2.1 per cent, to 1,082.67 in turnover 6.4bn baht. Demand was high for financial stocks in anticipation of second quarter

MANUA declined in nervous trading, with investors worrled that Imelda Marcos, the late dictator's wife, might be acquitted in the US on racke-teering charges, and by the kidnapping in the Philippines of a US Peace Corps worker. The composite index lost 12.81 to 870.17 in volume boosted by block trades in a mining

SEOUL advanced in a technical reaction to its recent losses; the composite index added 6.39 to 713.18, after falling 13.21 on Saturday. Turnover was light

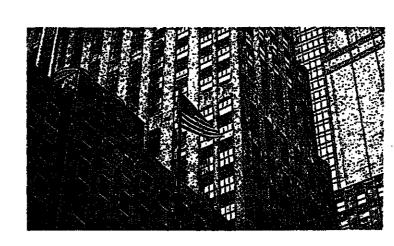
at Won93.4bn. NEW ZEALAND rose on selective buying by foreign investors, which lifted the Barclays index 11.20 to 1,773.16 in moderate trading. Fletcher Challenge added 4 cents to

AUSTRALIA weakened in quiet trading as the All Ordi-naries index lost 4.1 to 1,496.6 with 66m shares, worth A\$117m, changing hands. One winner was News Corp, up 15 cents at A\$11.45 after its recently announced asset

SINGAPORE also eased in thin trading before today's hol-iday. The Straits Times Industrial index fell 2.61 to

Exchange rates on international currency markets are influenced by many economic and political variables. A sound on target position, therefore, can be taken only by experts with first-hand access to financial intelligence and trend signals worldwide.

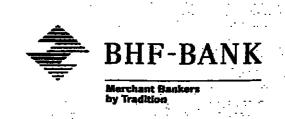
By the time you hear the latest dollar rate, our traders have already made their move.



Case in point: BHF-BANK. A state-ofthe-art communication system enables our forex staff to tap comprehensive external information sources and inhouse data bases right at their workstations.

As a BHF-BANK customer, you profit from this information network and a round-theworld, round-the-clock presence. Capitalize on BHF-BANK's flexible risk management techniques, its advanced technology and innovative financial instruments.

A global information network is only part. of what it takes to make a bank a partner for the financial planner. Equally important are a service-minded approach and customized problem solutions - the style of a merchant bank, which BHF-BANK has cultivated for more than 100 years.



ese 10. D-6000 Familian 1, Tel. (069) 718-8, Faz. (069) 718-2296, Telez 411026 (ge

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

REGIONAL MARKETS				DADAY J	JLY 2 1	190				FREDA	JUNE 2	9 1900		DOL	LAR RED	EX_
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Doller Index	Pound Sprling lodex	Yen Index	DM lodex	Local Currency Index	1990 High	1990 Low	Year ago (approx)
Australia (80)	141.62	+0.1	119.08	135.40	122.08	118.21	-0.5	5.88	141.52	120.27	136,20	122.54	118.84	158.31	125.85	131.02
Austria (19)	258.28	+0.8	217.13	246.94	222.64	222.18	+0.3	1.21	256.30	217.82	248.67	221.93	221.52	285.63	193.15	121.94
Belglum (61)	152.22	+0.9	127.97	145.52	131.21	127.82	+0.5	4.53	150.83	128.18	145.15	130,60	127,21	160.02	132.11	129.06
Canada (119)	138.11	+0.4	116,11	132.04	119.04	116.16	+00	3.49	137.52	116.87	132.34	119.07	116.16	153.61	130.37	140.54
Denmark (33)	258.99	+0.5	217.73	247.62	223.24	221.91	-0.1	1.30	257.71	219.02	248.02	223.14	222,13	261.19	235.69	201.34
Finland (26)	135.38	+0.3	113.82	129.44	118.70	110.45	-0.4	2.48	135.00	114.73	129.93	116.90	110.88	152.29	129.99	139,93
France (124)	161.08	+0.3	135.42	154.00	138.84	140.55	-0.3	2.92	160.62	136.50	154,57	139.07	140.97	168.85	141.69	120.62
West Germany (92)	135.93	+ 1.8	114.28	129.98	117.17	117.17	+1.3	1.91	133.59	118.53	128.58	115.67	115.67	137.71	122.05	91.02
Hong Kong (48)	137.59 190.87	+1.5 +0.9	115.67 160.46	131.55 182.48	118.61 164.52	137.55 166.01	+1.5	4.56	135.61	115.25	180.51	117,43	135.58	137.58	112.24	94,11
Ireland (17)	107.17	~0.9	90.10	102,46	92.38	97.41	+0.2	2.64	189.21	160.80	182.10	163.83 93.65	165.65	198.57	172.72	134.57
Italy (96)	148.66	+0.9	124.98	142.13	128.16	142.13	-1.4 +0.3	2.41 0.59	108.16	91.92	104.09		98.77	109.28	91.85	85.71
Malaysia (35)	230.24	+0.2	193.56	220.11	198.46	239.90	+0.0	2.26	147.27 229.85	125.16 195.34	141.73 221.20	127.53 199.02	141.73 239.90	197.26	124.40	176.64
Mexico (13)	501.52	+12	421.63	479.49	432.30	1569.60	+1.2	0.33	495,74	421.31	477.10	429.28	239.90 1550.98	245.32 549.86	204.15	181.99
Netherland (43)	142.19	+03	119.54	135.95	122.57	121.04	-0.2	4.66	141.83	120.54	138.50	122.81	121.31	145.68	324.53 130.43	249.16 120.26
New Zealand (17)	65.48	+0.8	55.05	62.61	58.45	58.87	+0.5	7.53	64.25	55.20	62.51	58.24	58.56	75.36	59.57	64.98
Norway (23)	236.29	+0.4	198.65	225.91	203.68	204.14	-0.2	1.47	235.27	199.95	226.43	203,72	204.46	245.90	202.34	178.32
Singapore (25)	200.25	-0.1	168.35	191.45	172.61	189.15	-0.4	2.00	200.36	170.28	192.82	173.48	169.89	207.93	179.70	158.24
South Africa (60)	176.06	-0.5	148.01	168.32	151.75	158.05	+1.2	3.77	176.90	150.34	170.25	153,17	156.24	251.39	170.00	148.95
Spain (42)	172.17	+0.7	144.74	164.61	148.41	132.65	+0.1	4.03	170.94	145.27	164.51	148.01	132.54	172.17	132.84	149.99
Sweden (34)	226.77	+0.9	190.65	216.82	195.48	201.60	+0.4	2.01	224.83	191.08	216.38	194.68	200.7B	226.77	173.89	166.26
Switzerland (67)	105.80	+0.7	88.95	101.16	91.21	92,06	-0.2	2.25	105.11	89.33	101.16	91.02	92.24	105.80	88.75	81.77
United Kingdom (304)	169.38 145.29	+1.0	142.40 122.14	161.93 138.91	145.99 125.24	142.40 145.29	-0.1	4.77	167.75	142.57	161.43	145.24	142.57	169.38	139.87	141.22
USA (539)		+0.4					+0.4	3.34	144.68	122.96	139.25	125.28	144.68	148.55	130.61	130.18
Europe (981)	152,16	+0.8	127.92	145.48	131.16	129.27	+0.0	3.53	150.95	128.29	145.28	130.71	129.22	152.16	135.57	119.55
Nordic (116)	210.91	+0.6	177.31	201.65	181.80	176.72	+0.1	1.70	209.55	178.09	201.67	181.45	176.52	210.91	185.01	162,45
Pacific Basin (659)	147.86	+0.9	124.31	141.37	127.48	140.75	+0.3	0.92	146.52	124.52	141.01	128.87	140.36	192.75	124,63	170.92
Euro - Pacific (1640)	150.00	+0.9	126.11	143.40	129.30	136.73	+0.2	2.00	148.71	126.39	143.11	128.76	136.48	174.18	130,35	150,46
North America (658)	144.75	+0.4	121.70	138.41	124.80	143.35	+0.4	3.35	144.15	122.51	138.75	124.84	142.79	147.87	131.02	130.70
Europe Ex. UK (677)	140.28	+0.7	117.93	134.14	120.94	121.03	+0.1	2.73	139.32	118.40	134.11	120.66	120.86	140.28	124.81	105.71
Pacific Ex. Japan (205)	137.59	+0.6	115.67	131.57	118.61	121.59	+0.2	5.05	136.84	116.29	131.71	118.50	121.35	139.32	122.53	114.52
World Ex. US (1832)	150.07	+0.8	126.16	143.49	129.36	136.62	+0.2	2.06	148.82	126.47	143.23	128.86	136.38	173.77	131.30	150.17
World Ex. UK (2087)	145.08	+0.7	121.97	138.71	125.07	139.06	+0.3	2.24	144.12	122.48	138,71	124.81	138.63	162.00	130.80	142.12
World Ex. Sc. Al. (2311)	147.05	+0.7	123.63	140.61	126.77	139.21	+0.3	2.49	146.03	124.10	140.55	128.45	138.85	161.84	131.95	141.98
World Ex. Japan (1917)	147.96	+0.6	124,39	141.48	127.58	138.09	+0.3	3.49	147.13	125.04	141.61	127.42	137.74	147.96	134.62	126.16
The World Index (2371)	147.23	+0.7	123.78	140.77	126.82	139.34	+0.3	2.50	146.21	124.26	140.72	126.61	138.97	162.05	132.25	142.03
Copyright, The Financial Markets closed July 2: C				n, Sachs	& Co.	and Cou	dy Nath	est Sec	urities (imited.	1987					

Tuesday July 3 1990

SECTION III

Light a service

SINK!

the There's

e lates

raden

move.

NG A TEM المتعالج فنه وجهوم

AND CORES

NATION OF



The next 16 months leading up to the general election will be critical as Sweden shapes up to the

changing face of Europe. Are the Social Democrats 'yesterday's men'? asks Robert Taylor as he examines the mood in the one-time progressive idyll of the north

To join or not to join the EC

SWEDEN is going through a them. But the more sensible period of transition at an ever-accept they have no real increasing speed as it readjusts choice. to the realities of the new

Europe.
Once the progressive idyll of the north — the admiration of the democratic Left and the nightmare of the radical Right - neutral Sweden is having to come to terms with the end of the Cold War in Europe, the creation of the European Com-

The international comparative statistics confound the sweep-ing generalisations made by those who visit Sweden with preconceived prejudice. In the opinion in the rural Centre haze of mid-summer, it is party is growing more sympawrong to use clickes such as thetic.
"crisis", "malaise", "death of The ruling Social Democrats the Swedish model" to describe under Mr Ingvar Carlsson want

what is happening. But, in fact, Sweden is going through a profound transfor-mation in which all the basic assumptions on which it avoided two world wars and prospered in this century are being reappraised. Most Swedes do not really like what is happening. They would pre-fer that Europe adjusted to

accept they have no real choice.

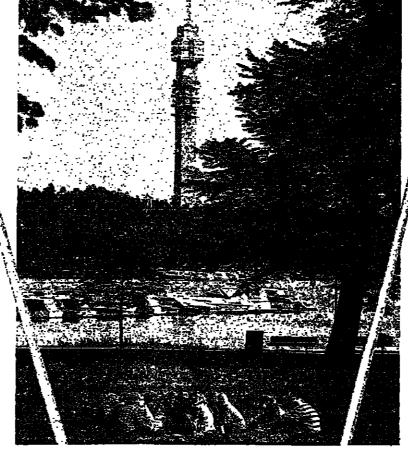
In practice, this means Sweden must become a full member of the European Community. Increasingly the question is not if but when Sweden will join the EC. The tempo of the European debate has quickened over the past six months. The EC issue will head the creation of the European Community's internal market and the unification of Germany.

The EU issue will lead the september 1991 agenda at the September 1991 agen Sweden's application to Brussels next year. The Liberals are also in favour of Sweden's EC membership and rank-and-file

> under Mr Ingvar Carlsson want to see a successful completion of the negotiations that began a fortnight ago on a 19-nation European Economic Space between the European Free Trade Association and the EC so it can come into being on January 1, 1993 alongside the EC internal market.

But even many of them recognise that the EES can





in the haze of mid-summer the debate about Sweden's entry to the EC continues

only be a transit station on the road to Brussels. Inside the Swedish Labour Movement the debate about the EC is becomtry's outstanding problems.

Moderate leader Carl Bildt says the Social Democrats are ing more intense but it is not an easy issue for the Govern-ment to handle. The LO bluecollar trade union organisation fears Sweden will abandon its

into line with the exchange rate mechanism of the European Monetary System.
The Social Democrats hold their Congress this autumn at a moment when the party has sunk to its lowest position since opinion surveys first began. Time is running out rapidly for the Government. The world's most successful Social Democrats look set to

commitment to full employ-

ment if it converges with the EC by bringing its currency

record their worst election

result since 1920 unless they

can stage a recovery over the next 16 months. But this may depend on how decisive they can be in resolving the coun-

'yesterday's men". He insists Swedes are rejecting not merely the policies of the Government but its underlying values. "We had a 1989 here as well," he proclaims. "Our walls are coming down." Faith in Social Democracy has eroded rapidly. But much will depend on how the Social Democraty. on how the Social Democrats deal with their crisis. So many problems need solving but they threaten to demoralise the party still further.

Take the issue of nuclear energy, which has haunted the agenda of Swedish politics since the mid 1970s. Under pressure from Sweden's influential environmental movement, the government is committed to phase out its nuclear power by 2010 though half the country's electricity needs come from that source at the moment. The cost of phasing out all the country's nuclear power stations and developing more expensive alternative energy sources alarms much of Swedish industry which fears loss of competitiveness and resulting plant closures. Many companies are threatening to

bitant energy costs. Earlier this year a Social Democratic committee chaired by Mr Carlsson proposed the non-nuclear commitment must remain but only if Parliament agreed to lift the legal ceiling on the level of carbon dioxide emissions allowed. If the price of the non-nuclear stance is

expand abroad for fear of exor-

more pollution, many policymakers will think again. On the other hand, the anti-nu-clear forces remain strong and any abandonment of the nonnuclear commitment would provoke serious political trou-ble. At present it looks as if Mr

Carlsson will stand firm on the

non-nuclear strategy in alli-

ance with the Centre party. The government also has to wrestle with a deteriorating economy. Further measures will be needed over the coming winter to deal with the underwinter to deal with the under-lying troubles of high inflation caused by an overheated labour market, stagnant growth, and a rapidly growing balance-of-payments deficit. Already the trade unions are threatening strike action to press for higher pay to com-pensate for higher prices, so more fiscal tightening would

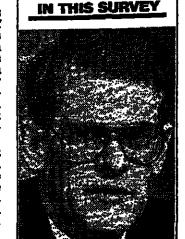
alienate the voters even more. Devaluing the krona has been the Swedish way out of difficulties on many occasions over the past 50 years when the country's competitiveness began to deteriorate but such a strategy lacks credibility today. Exporting unemployment to protect its own full employment is a policy that other European market economies are unlikely to tolerate.

One significant change that has been agreed is the reform of Sweden's tax system, to be completed next January. The shift in the burden of taxation from incomes on to goods and services represents a radical departure from past practice and it is bound to make a profound impact on the behaviour of individuals and companies. Many tax reformers believe the changes are only the start of a process which will lead to a real reduction in the overall level of public expenditure to a figure closer to the European

During the 1990s Sweden is expected to grow much more like other western European economies. Sweden's People's Home — the Social Democratic concept - will become more of a social market economy like

Germany not Britain. The change will be a matter of degree. Even if the Social Democrats are in eclipse most of their achievements will not be abandoned in a blind rush into the market place. What we can expect to see is an attempt to create a new equilibrium where change is accommodated within the existing sys-tem. But Sweden may lack in the 1990s governments with the coherence and authority required to make tough decisions in the national interest. It may be an exaggeration to talk about a crisis of legitimacy emerging in the country in the next few years. But there is great uncertainty, doubt and some anxiety about

the immediate future. "The European train is leaving the station and we are not on board," laments Carl Bildt. A growing number of Swedes share a sense that the world may be passing them by. Whether there are enough of them to make a real change is still in doubt. This is why the next 16 months is so decisive.



Swedish Prime Minister Inqual Carisson: facing problems Robert Taylor sums up the Democrats sink to their lowest rating since the advent of opinion polis in Sweden; Pro-files of Moderate Carl Bildt and Liberal leader Bengt Wes-terberg; Key factsPage 2 Sweden is more dependent then most countries on international trade. As the world

scene changes, storm clouds are gathering for the economy, says Robert Taylor; Trade relations with the UK examined on the eve of the launch in London of Sweden in

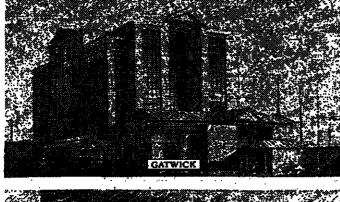
■ Why Sweden's Industry Minister. Rune Molin, has become the bogyman of the country's boardrooms: Robert Taylor monitors progress in the Welfare State; John Burton assesses the "tax reform of the century" and looks at Stockholm's move to become the leading financial centre for the Nordic region Page 4

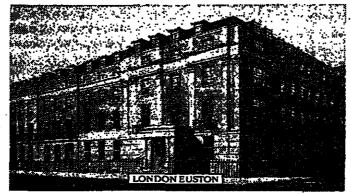
The end of the cold war poses problems for Sweden's thriving defence industry. John Burton traces the reorganisation in the weapons sector; Profiles of Nobel Industries and Atlas CopcoPage 5

■ John Burton on some of the toughest environmental laws in the world; Upheaval in the media Industry; Bitter debate about the future role of Sweden's Central BankPage 6

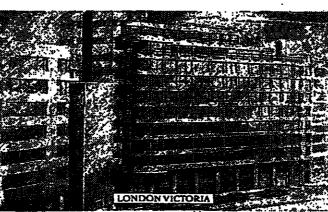
Editorial production: Roy Terry

Scandic Crown. Building on success.









As well as Victoria and Edinburgh, Scandic Crown are building three new 4 star hotels in London.

At Docklands, Euston and Gatwick, to be precise. The secret of our success? A Swedish quality of service developed over 25 years.

We have much to offer. All our stylish bedrooms have light wood decor, en suite bathrooms and the most comfortable beds you've ever slept in.



Our health and leisure centres are no less impressive. Here you'll find everything you need to unwind. Including jacuzzis, swimming pools, solariums and saunas.

Our conference facilities are unbeatable.

Good food too, is on the

Scandic Crown, Building on success? We think so. For further information on our hotels call: London 071-834 8123. Stockholm +46-8 34 55 50.

Global market success

calls for a strong base

> Success at home is the best assurance for success abroad. Skandia Group, with total assets of approximately SEK 175 billion and a premium income of about SEK 30 billion, is by far the premier insurance company in the Nordic countries.

> Our next objective is to grow even larger in the international insurance and financial services sectors.

> In the coming years, we expect a doubling of our premium income. Already half of this volume is derived from business outside the Nordic countries, and our foreign business will continue to grow, Today Skandia Group has offices in more than 20 countries on five continents, including eight EC countries.

> Our insurance operations are divided among two independent subsidi

ary groups. Skandia Norden handles the Group's business in the Nordic countries, while Skandia International is responsible for operations worldwide.

at home.

The synergies of this concentration increases our competiveness through larger sales volume, lower administrative costs, and more efficient distribution. But above all, we've established a solid platform for future growth and stability.



SKANDIA GROUP, S-103 50 STOCKHOLM, SWEDEN, TELEPHONE +46 (8) 788 1 1 00.

KEY FACTS

POLAND

FINLAND

449,964 sq km

1889

: -5.0

6.0

King Carl XVI Gustaf

.. Krona = 100 ore 1988 \$1 = SKr6.13

.1989 \$1 = SKr6.45

1966

19.6

26.9

-30.7

Harris No.

THE COURT OF THE C

5 220 2

144 THE

2000年12日 2000年12日 2000年12日

35 1 75 CM

sees Balanca

医療区の配 多っ

ರ್ಷ ಆಭಾರ್ಷ

in the section

THE future of Swedish politics has become increasingly unpredictable. The ruling Social Democrats are in deep trouble this summer. Their poll rating in May from the country's three main poll organisa-tions stood between 32.8-33.7 per cent, the worst result they have recorded since opinion surveys began. At the last general election in September 1988 they secured 43.2 per cent of

The decline of the Social Democrats can no longer be dismissed as a bout of mid-term blues. They dropped below the 40 per cent approval rating in May 1989 and have slid much further down since

Prime Minister Ingvar Carlsson said recently that he believed his party could carry on governing after the next general election which is due in September 1991 if it secures around 39 per cent of the popu lar vote but even that modest target looks distant at the

It may be unwise to suggest that Sweden is living through the twilight days of Social Democratic domination but nobody can doubt that the party is facing its most serious crisis in more than half a century. Not since the 1920 general election has the party

such low figures. The opinion surveys suggest that 600,000 voters have deserted the Social Democrats since September 1988. The largest number of them see have moved further left to back the Communists, who recently went through a modish name change to become the Left party. But others have made the ideological leap across Sweden's political

THE apparent demise of the Social Democrats provides the

opportunity for the opposition

parties to seize the initiative

and establish themselves as a

credible alternative govern-

ment after next year's general election. But they have always found enormous difficulty in

working together on common

ground and remain as divided

as ever on fundamental issues.

pollsters like to talk about the so-called "bourgeois" block of

the Moderates, Liberals and

Centre party as if they consti-tuted a solid alliance. In the

latest poll, in combination with

the Christian Democrats they

have just over 50 per cent of

the votes, enough to ensure

mentary seats. But merely

adding up the voting aggregate

does not mean they could form

a viable government, let alone

stav in office for a full three-

It is not just the sad experi-

r 1976 and September

ence of the six years of non-so-cialist governments between

1982 that blights the picture, though memories of that

those years the Centre party's single-minded conviction to

phase out Sweden's nuclear

power made effective govern-

ment almost impossible.

Indeed, the parties ruled within a Social Democratic

framework of reference for most of the time, raising taxes

and public spending to new

heights and even nationalising

year term.

The Swedish media and the

The Social Democrats are in deep trouble, says Robert Taylor

Voters switching loyalties

blocks to identify with the non-Socialist opposition par-

The Social Democrats have lost heavily among significant sections of the electorate, particularly young people, those living in big city areas and among the white-collar salariat. Only around 23.4 per cent of those aged 18 to 29 now back the party. Nor can they rely

The decline of the Social Democrats can no longer be dismissed as a bout of mid-term blues

any longer on backing from their core supporters in the class. Only the old and people living in the far north of Sweden still seem loyal to the Social Democrats. In large swathes of the country the party is facing humiliation.

There are clear signs that the rigidity of Sweden's left/ non-socialist blocks is breaking down with the rise of voter dealignment, a familiar trend in other democratic countries. But the picture is increasingly confusing and uncertain because of the lack of any credible political alternative to Social Democratic rule. It is true that the right-wing Moderate party has grown much stronger since the 1988 general election when it polled 18.3 per cent of the votes. The latest surveys suggest it has between 25 and 26.2 per cent support now. This level of support in the 1991 general elec-tion would result in its best performance since 1928. However, the Moderates would need partners to form a coalition government.

The Liberals are its closest probable allies. That party has ecome more social market-oriented than it used to be. In recent months the Liberals have thrown their parliamen-tary support behind the Government over tax reform and an emergency economic package but this has done them no good electorally. In the latest opinion survey the Liberals scored around 12.5-13.5 per cent, only 0.3 per cent more than they secured at the 1988 general election.

Between 1948 and 1958 the Liberals were the biggest of the non-Socialist parties in Parliament but then fell into steep decline. In 1982 they polled a derisory 5.9 per cent and faced the horrific prospect of falling below the 4 per cent mark required to win parliamentary representation. Three years later under Bengt Westerberg's leadership they recovered to

The Centre party - with the Moderates and Liberals - governed Sweden for much of the time between September 1976 have won a reputation for unreliability. In recent years under Mr Olof Johansson's leadership the Centre has tended to move to the left of the Social Democrats on social issues but this tactic arouses deep misgivings inside the rank and file who tend to come from the rural areas of Sweden and dislike the collectivist approach of the Social Demo-

The Centre does not appear to have been the beneficiary of the Social Democratic mala either. With only 9 to 11.6 per cent in the latest poll compared with 11.8 per cent at the 1988 general election it appears to be stagnating but it remains strong enough to be able to make or break any alternative to Social Democratic rule.

What the Moderates and Liberals would like to see is the arrival of the tiny Christian Democrats in Parliament as a potential coalition partner. The latest polls give them 3.5-4.5 per cent and tactical voting among the non-Socialist hard core could take them over the 4 per cent voting threshold they need for parliamentary representation next year. If this hap-pened the little party would provide a useful addition to the non-Socialist force even if the arrival of a seventh party in Parliament would intensify the existing trend to electoral frag-

mise, has strengthened as a

opinion is now running the Moderate way and ahead of

most of the politicians in its

readiness to see Sweden join

the European Community, a

cause he identifies with

closely. Taking his country

into the EC seems to have become his mission in life. He

worries Sweden will leave it

too late to seek EC member

ship until after the EC's crucial

decisions on economic, mone-

tary and political union have

opportunity to enter the EC is narrow and it is coming earlier than most people think," he

But the EC is an important part of his wider design; to move Sweden away from Social Democratic to liberal market values. Mr Bildt believes His-

tory is on his side. The Moder-

ates see themselves by the end

of the 1990s becoming the new predominant force in Swedish

politics like the Christian Democrats have been in West Ger-many and the Conservatives in Britain.

Much will depend on how the party works in the short-term with the Liberals

and a close link-up with them

Mr Bildt believes public

The beleaguered Social Dem-

from their moody allies in the Left party, the former Communists. They appear to have picked up some discontented Social Democratic protest vote to give them 7.8-8 per cent in the latest opinion surveys, better than their 5.9 per cent in September 1988. It is only in the general elections of 1918 and 1944 that they have

The Greens remain an unknown element. They have made little impact in their short time in Parliament

recorded higher voting figures. But their strength combined with the Social Democrats would be only 41.6 per cent, far short of the vote required to secure a parliamentary major-

The Greens remain an unknown element. They have made little impact in their short time in Parliament and their latest support stands at around 4.86 per cent compared with 5.5 per cent at the 1988 general election. This suggests they will have to fight hard to hold their parliamentary pres-

An overview of Sweden's electoral arithmetic indicates that the 1991 general election will produce no clear-cut result. Indeed, the country seems doomed to a period of weak minority or coalition gov-

ernments during the 1990s.
But the mood among the voters also suggests that many of them are increasingly cynical and impatient with the party choices. It would be an exaggeration to argue that Sweden is facing a crisis of political legitimacy but the numbers who have faith in the existing system has dwindled consistently over the past 20 years. In 1968, 37 per cent of voters believed the parties were only interested in the votes of people and not their opinions 1988 that figure had climbed to

65 per cent. The number of don't-knows being recorded in the opinion polls is also unprecedented. The latest opinion surveys found as many as 15.6-22.8 per cent of Sweden's voters were unsure of who to vote for, which amounts to more than im people. The largest proportion of them appear to be among low income and bluecollar traditional Social Democratic supporters.

No doubt many of them can be expected to return to the fold in time for the September 1991 general election but Sweden appears to be experiencing a degree of voter volatility which it has not known for a very long time. It is estimated that as many as 35.4 per cent of voters have switched their party allegiance since the last general election in September

The stable political loyalties based on left and centre-right blocks that emerged with the rise to power of the Social Democrats in the 1920's seem to be eroding in the face of Sweden's changing realities

ECONOMY Total GDP (\$bn). Real GDP growth (%) present administration but they may not be coalitions," he Components of GDP (%). Private consumo of instability like the 1920s and it will take some time for a Exports... more stable pattern Imports. emerge." Mr Westerberg does not seem particularly close in Current account balance (\$bn) Exports (\$bn). personal terms to his erstwhile imports (Sbn). ally Mr Bildt and his private relations with the Centre party Trade Balance (\$bn). leader Olof Johansson are MAIN TRADING PARTNERS (% of total value) **EXPORTS** In Mr Westerberg's view what happens next will depend

Population

ad of State

NORWAY

11.2 crats go". He believes Ingvar 52.2 Carlsson would much rather 19.9 co-operate with the Centre than the Liberals for tempera-IMPORTS. mental as well as ideological 21.1 reasons but such an option after September 1991 is fraught In fact, the Liberal leader

has been thinking ahead seriously. "We have to become Unemployment more realistic, more open and co-operative with other par-ties," he declares. Like Mr Bildt he wants to see Sweden inside the EC. He also believes the existing welfare system must grow more sensitive to market demands but he the public services. In his mixture of tough financial probity and soft concern for what he calls the "forgotten Sweden he can sound rather like the old British Social Democrats. At the 1985 general election Mr Westerberg rescued his party from oblivion with his

1970	75 80		5 - 86 Source: OECC
Consumer pr	ices (% growth pa)	5.8	6.4
Producer prid	es (% growth pa)	5.8	8.1
Unemployme	nt (% of lab force)	1,6	1.4
Total reserve	s minus gold (\$bn)	8.5	9.5
	count rate	8.25	9.33
	sury Bills	10.08	11.50
Government	bond yleid	11.02	12.93
General shar	e Index (% change pa)	51	24
Clask market	value (SKrbn)	. 614	734

Window of opportunity opens for the opposition

Fundamental division

lame-duck industries, something the Social Democrats never did.

The main non-Socialist parties continue to find it hard to work together on anything. There are some signs that their supporters would like to see a much closer relationship. But the creation of a joint programme for September 1991 looks most unlikely at the well it would help. Much will depend on how shrewdly Moderate leader Carl Bildt and his Liberal counterpart Bengt Westerberg handle what promises to be a delicate political situa-

The 40-year-old Mr Bildt is the man the Social Democrats will try and demonise in the general election campaign. Certainly Ingvar Carisson can

The main non-Socialist parties find it hard to work together. There are signs that their supporters would like a closer relationship. but a joint programme looks unlikely

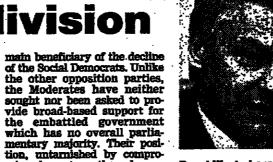
moment. A recent analysis of party voting patterns on the important parliamentary com-mittees revealed the three parties unite on very little. On crucial questions like the EC, energy policy and taxation

selves.
This does not mean that cirafter the next general election result. It is possible then that the pivotal Centre party will join forces with the Moderates and Liberals if the voting suggests a massive rejection of Social Democracy. If the Christian Democrats squeaked in as

never resist the opportunity to attack Mr Bildt in an attempt to isolate him from the rest of the opposition, often in a bitter

personalised way. Elected to head the Moderates in 1986, he has a wider and and defence issues than most Swedish politicians, but Mr Bildt can often look a divisive figure on a domestic scene that hankers after consensus. His unassuming, studious, bespectacled appearance strengthens his apparent earnestness but he should not be underesti-

At present his party is the



may prove difficult. Their 46the government to impler

non-Socialist alternative, the

But he also takes a gloomy view of the future of Swedish politics. "I think governments in the 1990s will be minority



with difficulties.

year-old leader Bengt Westerberg has come to the rescue of the government twice in the past eight months. His party gave the Social Democrats the crucial support they needed to push through the tax reform plans and this spring it agreed to provide the necessary addinal votes in Parliament for an economic restraint package signed to cool the overheated

Liberals have become a sup-port for the Social Democrats. But this may turn out to be a temporary friendship, born of political necessity, that will not last Certainly, Mr Westerberg appears to believe his party's social liberal creed is better sorved by better served by co-operating with other than the Social Democrats now that Mr Kjell-Olof Feldt is no longer Minister of Finance, a man with whom Mr Westerberg used to be able to do business.

ones, even weaker than the

vision image but three years later he had a bad-tempered campaign after the Social Democrats made him their main enemy. Whether he can find common cause with Mr Bildt and Mr Johansson is problematic, though events may force them to work in harness

clean-cut and conciliatory tele-

Robert Taylor

The first Europeanlinked Exchange to open in London.

- Direct access to Scandinavian futures and options markets from London through OM London, a UK Recognized Investment Exchange.
- Manage returns on Swedish and Norwegian stock portfolios. Hedge with OMX, the most liquid index in Europe.

The OM Group is committed to Pan-European product development. Call us for a list of member brokers

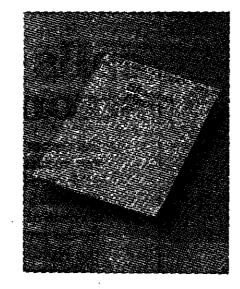
and trading information. The last word in innovative futures

and options trading.

107 Cannon Street, London EC4N 5AD Telephone: 071-283 0678. Telefax: 071-283 0504

A wholly-owned subsidiary of the Stockholm Options Market (OM)

The price of investments can fall as well as rise.



he Skandia Group is an international insurance and financial services company based in Scandinavia, a market it clearly dominates.

During 1989 definitive steps were taken towards creating a proactive, internationally focused insurance company. The Group has acquired a large number of

companies in Scandinavia, in Europe and in the USA, with the express goal of strengthening its future position. At present more than 60% of the company's assets are located outside Sweden.

The Skandia Group has a combined annual premium income from life and acci+ dent insurance of approximately SKr 30 billion, placing it at the top of the list of large European insurers.

The financial strength and excellent results, combined with skilful personnel and a well-structured organisation, lend the Group a solid base for continued success, both in Sweden and on the excit ing international markets.



Skandia Group, S-103 50 Stockholm, Sweden. Tel. +4687881 10.

GAMLESTADEN PLC

ASSET FINANCE

tailored to the unique needs of private and corporate clients

CORPORATE FINANCE

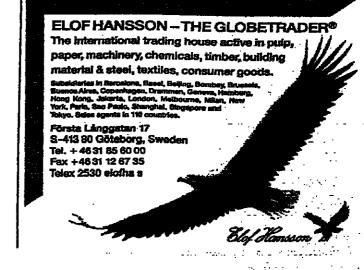
with an investment banking profile assisting in management buy-outs, buy-ins, mergers and acquisitions

CONTACT:

Allan Jonnes, Managing Director Stefan Jacobsson, Director Swedish Desk Stephen Alexander, Director Corporate Finance

14 South Audley Street London W1Y 5DP Tel: 071-493 5525 Telex: 262374 Fax: 071-491 2567

The International Operation of Companies quoted on the S



particul service: of secu

Grou

europe.

Partner:

and twe

Grou

Founder Me

THE FUTURE of the Swedish economy in the 1990s remains hard to predict. Much will depend on what happens in the world outside for the country is more dependent than most on international trade for its well-being, with around a third of its proper dependent medical property. of its gross domestic product coming from the export of

goods and services. But Sweden is suffering from long term prospects unless they are dealt with effectively None of the difficulties is per-

Y

C/A

449.564 Str. (4)

K.A. Car K. Ca.

ticularly new for the country.
Since the late 1960s, Sweden has suffered from a relatively low economic growth. This followed a long period when with Japan it had the world's fastest growth rate. It has also been plagued by recurrent high costs due mainly to wage push inflation caused by a tight labour market as well as sluggish productivity. This has contributed to a loss in international competitiveness that in 1976 and again in 1982 was temporarily relieved by devalu-

Sweden is now facing a mounting current account deficit that totals around 4 per cent of its gross national prod-uct; wage and price increases running more than twice as high as its main competitors; problematic investment levels

and a dismal savings ratio. The Ministry of Finance's medium-term strategy for the 1990s suggests Sweden's troubles will grow worse before they become better. The poli-cy-makers hope a modest rise in registered unemployment will help to cool down the overheated economy and make the labour market more flexible. The Ministry argues: "The rate of employment consistent with stable inflation appears to be around or just below 2 per cent whereas in most other indus-trial countries it may be 5 per cent or more."

If the storm clouds over Sweden are familiar enough to the policy-makers this does not make it any easier to solve them. Last—February therespected but increasingly exasperated finance minister Mr Kjell-Olof Feldt felt compelled to suggest a two-year wage and price freeze complete with strike ban to deal with the problems, a recipe that falled to convince Parliament and eventually led to the Gov-ernment's brief resignation and his own abrupt departure

from politics.
His successor, the cool and competent Allan Larsson, who transformed the country's The economy's future is hard to predict, says Robert Taylor

Storm clouds But Sweden is suffering from a number of home grown economic troubles that could have a serious effect on its



Prime Minister Ingrar Carisson (right) and Finance Minister Alan Larsson: economic problems will grow worse

On the other hand, Sweden

labour conflict as talks col-

through a re-opening of the

1989-1990 national pay agree-

Most Social Democrats and

national union leaders would

Labour Market Board during the 1980s, is convinced the economy is mending quickly. may have to endure a bout of In April an emergency package was introduced by the Governlapsed a fortnight ago on a fur-ther pay rise for workers ment in alliance with the opposition Liberals designed to ment to compensate them for the increase in the consumer price index since the beginning dampen down demand through higher taxes, a freeze on increased local government spending and a postponement of social reforms. some employers as well as

This brought a sigh of relief to the financial markets and led to a fall in interest rates. Mr Larsson points to some encouraging signs in the man-ufacturing sector of a cooling down in the labour market with less turnover and a cut in absenteeism. He believes the overheated condition of the economy will cool even more out the need for any drastic

based arrangement for wage determination have been sown in the Swedish labour market but they have yet to be truly harvested. This is mainly because on both sides of industry there remains a fear that the complete abandonment of any national or industry-wide strategy would create a degree of havoc in the workplace that would be counter-productive. Its would undermine not just the traditional workplace belief in solidarity that still lingers on but also any semblance of

consensus.

Mr Larsson is a great
believer in the power of reason
and he may well be proven right. Sweden still has reserves of social cohesion that many observers fail to recognise. He insists his policies are in tune with the traditions of the Social Democratic party – a tight fiscal policy combined with a dynamic labour market strategy and prudent public

expenditure.

Certainly he rules out devalof the question," he says.
"With the internationalisation
of our economy and the deregulation of the financial mar-kets it is neither desirable nor

possible to devalue."

Mr Larsson adds that Swe den would lose its credibility as a partner with other countries if it resorted to devaluation again. As he points out, devaluations undermine the "value of the worker's wages", a strange policy for union leaders to advocate.

On linking the krona to the exchange rate mechanism of the European monetary system he is more circumspect but he makes it clear that for the moment Sweden must improve its economic performance.
In his careful and low-key

way, Mr Larsson lacks the ebullience of Mr Feldt and he does not attract the same intellectual admiration of his predecessor. But his toughness should not be underestimated. He is not the kind of man who will be easily pushed off course by political pressures from within his own party. "We Social Democrats have to take the tough decisions because we have to govern the country,"

Sweden is committed to a like to see a revival of the Swedish Model of centralised convergence with western collective bargaining to bring back supposed wage stability. Europe as an open, deregulated economy. The solutions it This seems unlikely to happen. The system — once the aspira-tion of an admiring western seeks in the 1990s to overcome its structural problems will have to be compatible with world - lost its way in the that wider framework. There can be no resort to national answers that insulate Sweden early 1980s, though it has not yet been replaced by a realistic from the international econalternative. The seeds of a

BRITAIN has always been important for Swedish trade. Over the past two years it has United States to become the country's second biggest export market after West Germany. Unlike the country's with Britain provides a surplus – exports worth SKr37.24bn in 1989 compared with British imports to Sweden worth

The British market remains attractive for a diverse range of Swedish companies. Englneering products continue to dominate. In 1988, more than a third of total exports to Britain from Sweden were engineering products, especially passenger cars, trucks and lorries from Volvo and Saab-Scania, and telecommunications equipment from the Ericsson company. It is estimated that 22 per cent of all Swedish-made heavy trucks are sold to the British market as well as 17 per cent of telecommunications equipment. Sales of construction and mining equipment, power generating machinery, office equip-ment and mechanical handling devices were also prominent among the manufactured

exports sent to Britain.

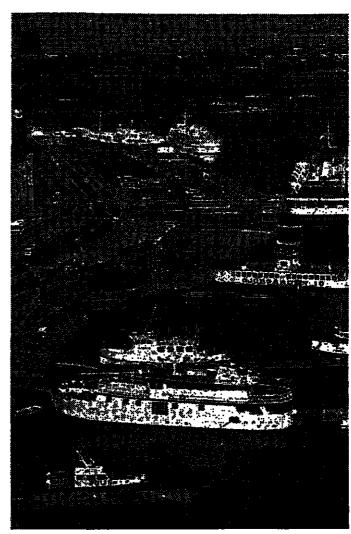
Almost as important for the Swedish trade to Britain are paper and board products from the country's long-established forestry companies. In 1988, 23 per cent of all paper produced in Sweden was sent to Britain. Steel exports are also substantial for the British market while wood and pulp also fig-ure prominently in the statis-

There are signs that the British market is becoming increasingly attractive to Swedish manufacturers of high quality and environmentallyfriendly consumer products. The latest trade figures show a 26 per cent growth in furniture to Britain, for example. By contrast, food exports from Sweden to Britain remain relatively unimportant. Certainly that is one sector where Britain still runs a healthy trade surplus with Sweden. The launch tomorrow in

London of Sweden in UK Year indicates the determination of the country's Export Council to build up and broaden trad-ing ties. "One of our aims is to strengthen Sweden's trade position in Britain," explains Mr Ulf Lavestam at the Export Council, a market which he describes as "trouble-free". But another reason for the promotion is to alert British consumers to a more diverse range of

Robert Taylor looks at trade relations with the UK

Trouble-free market



Stockholm harbour area

emphasis on a number of specific product areas. Take food products - a number of com-panies will be taking part in the trade promotion including the fibre health foods firm Friggs, the crisp bread Wasa-brod, preserved herring from PK-Konserver and the mineral water Ramlosa in its distinc-tive blue bottles.

House construction will also receive a high priority with a number of companies exhibit-ing at the next Ideal Home

show. Furniture and office equipment will also feature in the trade promotion, particu-larly that made for hotels, res-

taurants and business prem-

Over the next 12 months a number of Swedish industrial sectors plan to stage their own events in Britain as part of the UK promotion year. These will include exhibitions of forestry machinery, men's clothing, child care products, environ-mental goods and Swedish technology products.

The country's forestry industry will initiate the trade year tomorrow by planting oak sap-lings from Sweden in Wilt-shire's Woodland park as replacements for those destroyed by last year's

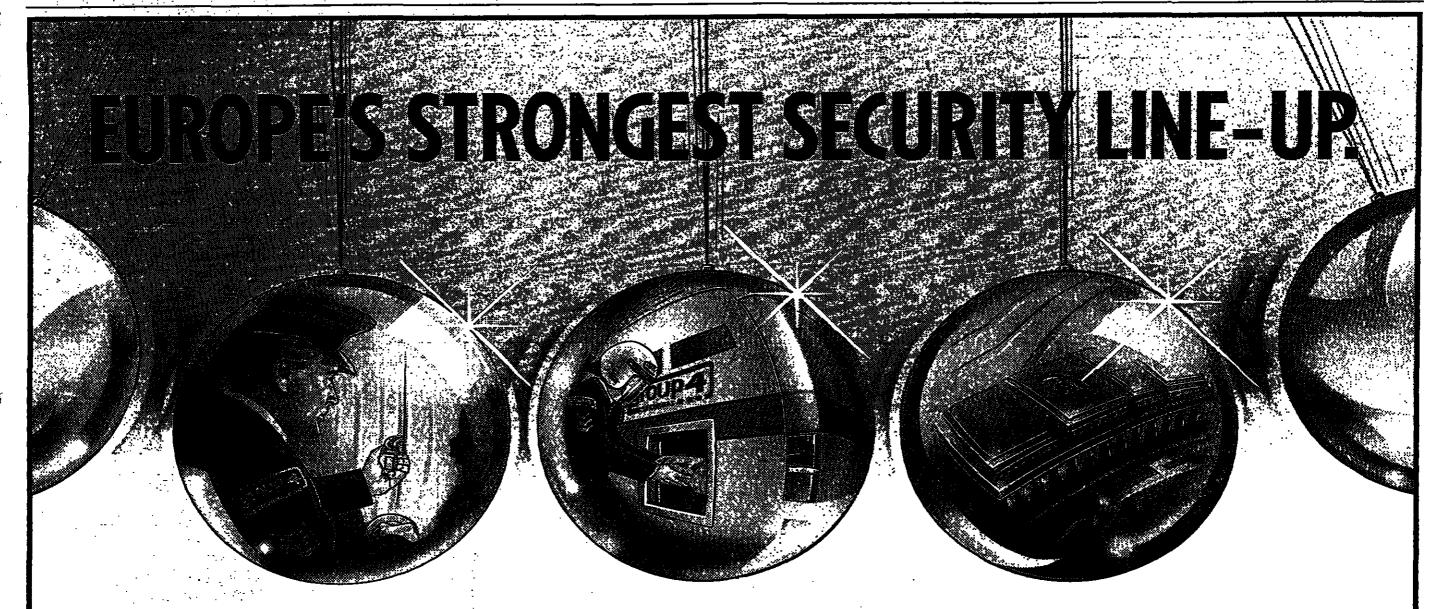
Sweden takes its existing trade with Britain too much for granted, but that is understandable. The country enjoys a usually justifiable positive market image in Britain for its high quality, well-made, if expensive, products. No discretion middle class fam. criminating middle-class family is complete without at least some Swedish-made consumer durables to show off to their

friends. In fact, the British and Swedish economies have been inter-twined for a long time. Swe-den's late industrial revolution in the 1880s and 1890s owed much to the availability of British capital and expertise. Moreover, with because of a small home market, Swedish companies looked overseas for growth. This is why companies such as the world ball and roller-bearing company SKF, the white goods manufacturer Electrolux, as well as Ericsson and many others established plants outside Sweden from early this century.

Britain was an attractive base for Swedish companies to establish subsidiary operations before the First World War. It is estimated there are now nearly 700 Swedish subsidiaries operating in Britain. The internationalisation of Swedish industry has grown rapidly in recent years and Britain has become a lucrative base for many Swedish companies who want to establish more of their activities inside the European Community before the arrival of the internal market in 1992.

Britain's well-established global financial system has also appealed to an increasing number of Swedish-owned financial institutions who want closer access to the world's larger money markets. A substantial part of Sweden's net outflow of capital is coming to Britain. Inward investment from Sweden has climbed from SKr886m in 1985 to an esti-mated SKr9.84bn last year.

Swedish companies are also nursuing an aggressive merger and acquisition strategy in the UK, taking advantage of a more deregulated scene. Two weeks ago the paper and pulp company SCA acquired Reedpack. Further Swedish inroads into the British market can be expected in the coming months.



Group 4 is the largest security organisation in Europe. Worldwide its quality alliance with its partners and associates spans over five continents and twenty-seven countries.

Group 4's global network is there to meet your particular needs with a range of products and services which comprehensively covers every type of security requirement.

Founder Member of British Security Industry Association

group4 ISECURITAS (1)

Giving the world a sense of security

Group 4 Securitas Ltd.

Farncombe House, Broadway, Worcestershire. WR12 7LJ Tel: (0386) 858585 Fax: (0386) 852861

A Group 4 Securitas (International) BV Company

the next stage of his wide-rang-ing national industrial strategy which will be unveiled next

spring.
This will cover a wide area

including infrastructure devel-opment, energy and research and education. It is also expec-

ted to involve proposals for the removal of existing legal restrictions on Sweden's public

pension funds from buying pri

vate shares on the stock mar-

the funds used in a strategic

way to help in the industrial restructuring of the country during the 1990s as well as to resolve the issue that has trou-

bled the LO trade union confed-

eration for a long time – this is

how to reconcile the existence

of corporate high profits with a

degree of social equality acceptable to wage earners. Sweden's

Industry Minister is keen to

reassert ideas of economic

But there is another impor-

tant motive in Mr Molin's

thinking. Karlier this year he

decided to postpone any change

in Swedish company legislation that prevents foreign compa-

nies from acquiring Swedish

enterprises without prior gov-

Mr Molin would like to see

SWEDEN'S Industry Minister, Mr Rune Molin, is rapidly turning himself into the bogyman of the country's boardrooms.

When appointed to his present job in January, many employers breatled a sign of relief on hearing he was to take over the energy portfolio from anti-nuclear Environment Minister Ms Birgitta Dahl as part of a beefed-up industry

The arrival of the deputy secretary of the bluecollar LO trade union confederation was seen as a clear signal that the Government intended to retreat from its commitment to phase out nuclear energy. Mr Molin had not disguised his anxiety that the non-nuclear strategy could impose intolera ble extra energy costs on Swed-ish industry and add to the pressure on many companies to move more of their business activities out of the country with a resulting loss of jobs for

The non-nuclear policy has not changed so far though it could do so in the autumn. In the meantime, Mr Molin is alarming private industry over his gradually emerging industrial strategy.

Many employers regard him as an old-style Social Democrat concerned with collectivist solutions to the country's industrial problems based on an extension of state power.
"Molin is living in the past," admitted one senior employer. "While eastern Europe is rap-idly abandoning state controls

over their economies he is busy

working in the opposite direc-

SWEDEN has the largest

public service sector in the western world. Just over 60 per

cent of its gross domestic prod-

uct will be devoted to public

expenditure, compared with an average of 45 per cent in the

Organisation for Economic

Co-operation and Development.

An estimated 33 per cent of the

workforce - 1.6m people - have jobs in the public ser-

To many Swedes the Welfare

State remains the Social Demo-

cratic dream come true with

the public provision through

taxation of financial security

from the cradle to the grave for

everyone irrespective of

income, removing the fear of ill

health, unemployment, poverty

Certainly Sweden still enjoys

Robert Taylor on Rune Molin's industrial strategy

Boardroom bogyman

tion on solutions that won't No wonder he has rapidly won himself the nickname of "Molin Rouge" among his ene-

they could well find themselves involved in a confrontation with the Government during the next few years, even more bitter than the controversy over wage earner funds that divided capital and labour in Sweden between 1975 and 1984. Molin will be allowed to push his ideas through the cabinet in more liberalising elements that continue to dominate the Ministry of Finance. In fact, Mr Molin's bark may turn out to be much worse than his bite.

A few weeks ago he won par-liamentary approval for the creation of a new state holding company — Investment AB Sweden — which will be launched later in the year to cover the country's existing nublicly-owned industry sector. This huge enterprise will enjoy initial market assets worth an estimated SKr30bn covering the nine existing companies wholly or partly owned by the state that employs just over 75,000

It is also to have the power to

purchase shares up to a value of SKr3bn-Skr5bn in listed and unlisted companies with money from the existing publicly owned wage earner and supple-

nentary pension funds. In fact, it is an attempt to establish a national company based on a mix of public and private ownership with the strategic authority to develop as a major force on the Swedish industrial scene, a counterweight both to the private concentrations of corporate power and the rapid internationalisation of Swedish business life. While 85 per cent of investment AB will be state-owned the rest is to be sold off in the form of convertible loans to institutions such as the public pension and collective wage earner funds.

As well as the state investment company there are also going to be five to six regional risk capital companies established by the government with the aim of providing financial resources of around SKr1.8bn to small and medium-sized private firms up to a maximum of

SKr30m a company. Mr Molin denies this is an attempt to "socialise" industry, arguing it will provide a means for companies to acquire the risk capital they lack to expand

ernment approval,
Mr Molin says he wants to Mr Molin is now working on

been completed on the creation of a European Economic Space between the European Commu-Trade Association before bring-ing forward measures to liber-alise the present company own-ership regulations.

Nobody doubts that Sweden will eventually have to bring itself into line with EC coun tries in its company law, especially when so many Swedish owned companies have been pursuing an aggressive strategy of hostile bids, mergers and takeovers of firms in western Europe over the past few years in response to the EC's cre of the free internal market.

The demand that Sweden should reciprocate and lift its restrictions on foreign company ownership of Swedish enter prises is understandable and

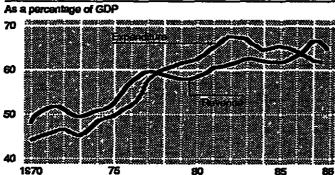
At present it is estimated that only 9 per cent of Swedes are employed by foreign-owned companies — mainly from Nordic countries - compared with 4 per cent 20 years ago. In the meantime, Mr Molin wants to protect what he calls "the national character" of Swedish

None of this seems likely to impress Sweden's employers. They want to see Mr Molin assist in the creation of a climate in the country more sympathetic to private investment and not devote his energies to what they see as corporatist solutions that they think will injure not help the country's industrial prospects in the

Progress of the Welfare State investigated

Efficiency campaign

Public expenditure and revenue



a high quality of public services for all the grumbles about long queues for routine operations and the shortage of child care centre places. With a ing back the economic growth. tiny visible underclass, long They condemn it as inefficient, life expectancy (80 years for bureaucratic, expensive and women and 74 for men), a nezinsensitive to consumer needs. But, as Professor Robert Ericligible infant mortality rate and next to no registered son at the Swedish Institute for Social Research argues, "the vast majority of Swedes are unemployment, Sweden still combines public and private chasing power parities to a welfare state funded out of taxm anywhere out ation. What they criticise is the side the Nordic region, Switzerway the system is adminisland and possibly Canada.
Social critics on the Left
believe Sweden has grown tered, not the principles upon which it is based."

In his valedictory remarks the outgoing finance minister Mr Kjell-Olof Feldt warned the public services sector posed the biggest problem to Sweden more selfish and less committed to its welfarist values during the increasingly individualistic 1980s, although even the in the 1990s because of the spending it would need from powerful LO trade union organisation recognises the limit on resources has been limited resources.

Contrary to common assumption the present size of Sweden public services is a rel-To neo-economic liberals the Swedish welfare state has become a huge incubus holdatively recent phenomenon,

ent popular mood for rolling back the present frontiers of the welfare state in a fundamental way. Only the Moderates call openly for a reduction in the total tax burden through real cuts in public expenditure and even their leader Carl Bildt admits they would "trim' not dismantle the public welfare system. The rest of Sweden's political parties maintain an agreed consensus on the need to defend the welfare state from attack though they also favour decentralisation, some private initiatives and 85 greater cost efficiencies. On the other hand, there is dating back to the early 1970s also a widespread acknowlwhen the rapid expansion in public sector employment

edgement that the public sector is in need of urgent reform with an equal acceptance that improvements can no longer be made through the extra provision of financial resources from the public purse. Mr Allan Larsson and his colleagues at the Ministry of Finance are keen to devel public services renewal strategy, designed to produce greater value for money through better productivity, a greater decentralisation of services and the rigorous applica-tion of cash limits.

In particular, the Government wants to see what it calls "a clearer distinction between responsibility for production and financing" through a much wider use of tendering and contracting out of specific services to private co-opera-

tives and the like to ensure a more varied supply of services and a greater freedom of

Mr Larsson is concentrating his efficiency drive in five areas of the public sector – education, old age care, child care, the health service and the social security system. His own experience in rationalising the Labour Market Board suggests there is plenty of scope for internal reform of the existing services. He remains convinced that savings can be made on the present SKr250bn devoted to public service expenditure.

Opinion polls suggest a majority of Swedes favour the hiving off of cleaning and cooking in hospitals, for example, as a way of improving the present health service. Enthus for the privatisation of the hospitals and the introduction of private insurance systems is

But Mr Larsson is not dogmatic about the preservation of public control, favouring private initiatives in child care provision, for example and showing a keen interest in the inside the public health service by separation of the function of producing from purchasing. Critics remain sceptical whether Sweden's huge sector with its allegedly low productivity level is capable of renewal without radical changes but they may be proven wrong. There is certainly a loss of consumer confi-dence in some sectors of the welfare system but whether this amounts to a level of popu-lar discontent which would

encourage a dramatic shift in

the way the system functions remains doubtful.

reserve fund, in which compa-

nies placed up to 50 per cent of their profits with the govern-

ment deciding when and how

the money would be used,

locked in capital that could be

Robert Taylor | success of exchanges in other



John Burton examines the financial markets

Eyeing EC systems

THE probability that the Swedish government will abolish the turnover tax on securithe year improves the chances of Stockholm becoming the leading financial centre for the Nordic region in the 1990s. But the emphasis will be on providing finance to small and medium-sized businesses rather than the country's multina-

tional corporations. The government's willingness to drop the turnover tax. which has been blamed for driving trading in Swedish blue chips abroad, primarily to London, following its introduction in 1984, is an acknowledge ment that Sweden must harmonise its treatment of financial markets with European Community practices if it is to compete efficiently.

"Separate Swedish solutions for parts of the financial system may make it difficult in the longer run to participate successfully in international developments," the Ministry of Finance recently warned in its

the 1990s. Sweden is confronting the fact that the concentration of trading in internationallyknown securities to London New York and Tokyo during the 1980s made it inevitable that Stockholm would lose its importance as a capital market for many Swedish multination als. But the government's poli-cies, particularly in regard to taxation, accelerated this

"Swedish financial markets must satisfy the needs of Swedish industry, but as Swedish companies move abroad they will rely more on foreign markets," says Mr Anders Se general director of the Swedish

Bank Inspection Board. "Big Swedish companies can take care of financial needs in the major markets, but a healthy national market is still needed to finance smaller companies," adds Mr Claes Dahl-beck, president of Investor, the Swedish investment company with shareholdings in many of the country's multinationals. But the Stockholm Stock Exchange still has hopes of winning back some business from London, emulating the

small countries, such as Amsterdam and Zurich, in playing a key supporting role in the international financial

Mr Bengt Ryden, president of the Stockholm bourse, helieves this is possible if the four Nordic exchanges are fused together. "The Nordic markets are too little on their own, but we have taken the decision to create a common Nordic securities market. We hope to have a joint trading system in operation within the next three to five years." Prospects would also improve if the Nordic governments agree to harmonise their financial rules and regulations with those in the EC, he adds.

In Sweden's case that would

The stock exchange still has hopes of winning back business from London

mean reducing its taxes on financial services. The ruling Social Democrats so far appear unwilling to do so. "There is no reason to have special tax favours for the financial sector in order to attract busine Sweden," says Mr Erik Asbrink, the deputy finance minister. "Financial institu-tions should be treated no different than other busine tors when it comes to taxation."

The government is likely to support a proposal contained in an official study released last month to impose a special tax on companies in the financial sector, including banks, insurance companies, and browhich will be equivalent to 4 per cent of a firm's combined wage cost and profits, would amount to a VAT tax on financial services. It was partially tabled in anticipation of the crumbling of barriers separating financial sectors, such as insurance from banking.

Other government proposals, however, are likely to revive trading on the Stockholm bourse over the next few years. Trading volume has been hurt not only by the tax on securi-ties transactions, but also a temporary and technical hike

in the capital gains tax this year from 40 per cent to 50 per cent on shares held less than two years. This has discouraged short-term profit taking.

But the tax reform programme will cut the taxation on dividends next year to a uniform 30 per cent irrespective of how long a share is held. It is expected to boost trading volume and encourage the issue of new shares. Corporations are also expected to distribute a larger share of their profits as dividends as a result of lower taxes and the abolition of tax-free investment reserve funds, which have kept capital bottled up. More liquidity is also flowing

- 12 miles 177 五百世三 (c) (c)

The state of the

TERESTEE CO

there sections.

in Imila 45

THE STREET

de recordo

in Special delegae

囊盤性 经证券

deed a concl

has t

75 <u>~ 7</u> 7 7. ~ ~

into the bourse. Since the beginning of the year, private savers have been able to switch their funds from taxfree bank accounts, which contain a total of SKr70bn, into tax-exempt mutual funds, with Skr12bn expected to be transferred by the end of the year.

The government is also mooting the possibility of allowing more of its affiliated national pension funds to invest in the market, although the proposal is likely to create a storm of controversy with allegations that the state is trying to obtain ownership of cor-If several of the national

pension funds do enter the market, it will increas dominance of institutional investors in the bourse. "The government is promoting a policy that favours collective institutional investors and discontages small investors," says Mr Lars-Erik Porsgardh, president of National Swedish Association of Shareholders.

The strength of institutional investors in the market has en cited in the past as one reason for the success of Swedish multinationals since they have allowed executives to pur-sue long-term strategies. That, however, may be changing. With companies likely to redistribute profits through higher dividends as a result of the tax reform, "Swedish institutions will probably follow the US example and become more interested in short-term profits," says Mr Sven Hagstromer, chairman of the Swedish Asso-ciation of Stockbrokers.

FINANCIAL TIMES " FEEDERAL DO SURVEYS THE NORDIC REGION & 1992 February 21 NORDIC REGION: FINANCIAL SERVICES April 25 May 21 **EUROPEAN INVESTMENT LOCATIONS** June 5 June 25

AUSTRIA July 2 July 6 REDRAWING THE MAP OF EUROPE YUGOSLAVIĀ HUNGARY September DENMARK September UNIFICATION OF GERMANY October December

071 873 3429

Especial official information and a cubic 071,873,4090

Business in Scandinavia?

Debt collection

Credit reporting

Consultancy

FinansSkandic Collection (UK) Ltd

2 Spring Terrace, Paradise Road Richmond, Surrey TW9 1LW Telephone 081-940 7144 Fax 081-948 7358 Telex 9419893

Democratic government calls it "the tax reform of the century". Sweden will continue to have the world's highest tax ratio at 56 per cent of GDP, 15 percentage points above the average in the EC countries. The tax reform programme

began in earnest. Public sector

growth actually peaked in 1982

Democratic rule- when it

absorbed 66.6 per cent of the

country's GDP. It has fallen

since then and finance minis-

ter Allan Larsson expects it to

drop below 60 per cent in the

The emphasis is no longer on expansion but on containment

resources. As the government's

medium-term strategy for the

1990s argues, "resources for new efforts in the public sector will have to be created mainly

by making more efficient use

of the available means. Tax pressure should not be increased; the aim instead

should be to lower it."

next few years.

the last year of non-Social

that is being introduced this year and next is not designed to reduce the tax burden but rather redistribute it to correct some of the imbalances in the system. While tax rates will be form level of 30 per cent on most types of income, the tax produce a simpler and fairer system.

ALTHOUGH the Social

lowered in most cases to a unibase will also be broadened to The nominal corporate tax

rate will be reduced from its eliminating a tax-free investhave resulted in the average among the lowest in the indus-trialised world.

present 52 per cent to 30 per cent by 1991 at the expense of ment reserve fund and gener-ous inventory write-downs that Swedish company paying an effective tax rate of 25 per cent,

The introduction of a new

will continue to pay about the same amount of taxes as they do now. Foreign companies in Sweden, which have had less of an advantage in using the tax reserves, will face lower tax bills than the average 40 per cent rate they now pay. Swedish industry generally welcomes the reform since it will help reduce the distorting effects of the old system, which encouraged debt financing due to deductions on interest payments and favoured mature

Product Engineering for Sweden Automative and Mechanical Telephone (0371) 872814 (0371) 875535

(0371) 872239

The 'tax reform of the century' assessed by John Burton

Imbalances to be corrected

tax equalisation reserve, which will allow earnings and taxes to be spread over several years, will mean Swedish concerns

capital-intensive industries with historically high rates of The tax-free investment

used more efficiently else-where", says Mr Erik Asbrink, the deputy finance minister, who is one of the main architects behind the tax reform. An increase in venture capital is now more likely as a result of the changes, he believes.
It is the reform of personal

taxation, however, that has attracted the most attention in Sweden since most citizens now pay a steep rate of 40-50 per cent on income, with the tax ceiling reaching 72 per cent last year. The tax ceiling will be lowered next year to 30 per cent for those with an income of SKr180,000 or less, about 85 per cent of the working popula-tion. Those with an income

While the rates will be lowered in most cases to a uniform level of 30 per cent on most types of income, the tax base will be broadened to produce a simpler and fairer tives. The punishing tax rates are blamed for discouraging

The main aim of the lower

rates on personal income is to

provide increased work incen-

overtime work, for example. The Finance Ministry predicts that the labour supply could rise by 4 per cent in the 1990s as a result of the tax reform due to an increase in average hours worked and more people in the result of the tax. joining the workforce. That would ease Sweden's labour shortage, which has caused the country's chronic wage-push

> The government is hoping that a slower growth in wages will not only improve the country's economic performance, but free corporate capital for other worthwhile investments. But the government may be

above that amount will face a too optimistic in its forecast. A maximum tax ceiling of 50 per recent survey conducted by Swedish Television found that only 10 per cent of those surveyed would be willing to work more as a result of the tax But the public may have lit-

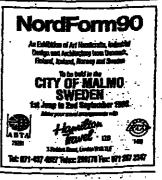
the choice but to work harder if they are to afford the higher prices they will face in shops and elsewhere due to the increased taxation on consumption resulting from the wide application of VAT. VAT is now levied on about

70 per cent of goods and services, but it will be applied to a range of services, from commu-nications to hairdressing, that have been previously exempt. Restaurant and hotel bills have destautant and note buts nave already climbed substantially as the full VAT rate is applied to these sectors, which formerly were subject to half the usual rate. Workers will also face taxes on previously exempt fringe benefits, from subsidised hunches to company

Taxation on capital income is also designed to promote sayings, with lower tax rates, for example, on interest from bank accounts, although other, more compulsory forms of

savings, such as pension funds, will be taxed more stringently. Tighter curbs will also be est payments, curtailing the public's appetite for borrowing. Housing construction is likely to be dampened as deductions for mortgage payments are

reduced.
While the tax reform programme is extensive, Sweden will likely have to continue overhauling the tax system throughout the coming decade. The government has pledged that the country will conform the country will be conformation. its rules and regulations, including taxation, to those of the EC. In the 1990s, the level of tax pressure can be trouble-some, not least in view of the ongoing process of integration with the rest of the world," the Finance Ministry recently con-ceded in its long-range ecoment may have little choice but to reduce the tax burden.



Swedish Lawyers

ADVOKATFIRMAN CEDERQUIST

16, Blackfriars Lane, London EC4V 6EB Telephone 071-489 1431 Telefax 071-236 2106

Leading Swedish Agency now in business in London We have years of experience helping international organisations. We handle permanent and temporary assignments, and specialize in TOPMANAGEMENT SECRETARIES PERSONAL ASSISTANTS TELEPHONISTS/RECEPTIONISTS Call Marianne Wigren on 071-3521219



London SW109EL Telefax: 071-351 9678

John Burton on threats to the defence industry

Weapons cutback looms

FOR A small, peacetal country.
Sweden maintains a mighty defence industry. But this thriving sector is facing serious threats about its fature. The end of the cold war, a freeze on defence spending and tighter arms export, controls will mean that Sweden may soon have to cut back on the soon have to cut back on the comprehensive range of weapons, from combat jets to tanks, it now produces.

Seven companies dominate Swedish arms production, ASEA, Ericsson, Nobel Indus-tries, Seab-Scama and Volgo in the private sector and two state run enterprises, the shipbullders Celsius Industries and the engineering concern FFV. Their total defence production workforce is 25,000 and annual income from arms production is close to SKr20bn. Sweden has a flourishing arms export trade. Sweden ranked as the world's ninth biggest weapons export nation with total sales of \$1.87bn between 1985 and 1989, according to the Stock-holm International Peace arch Institute (SIPRI). In preparation for the tough times ahead, the defence industry is now being restructured. The higgest changes are likely to occur among the country's three army-related contractors, the Bofors division of Nobel Industries, FFV and the Hagginnds subsidiary of ASEA.

Although Nobel Industries has successfully reduced its has successfully reduced its dependence on defence sales by shifting its emphasis to chemicals products, it still hopes that Bofors, the country's biggest defence company with sales of SKr5.3bn in 1989, will play a

Mark of John Park

te a large state

The Louis Control of the Louis

A COUNTY OF STREET

CAPT THE PARTY

to the contract of

THE THE PARTY OF

the the rates in

POPUNG A SELECT

FR IN TURNET

1443 LA: 1253

1 1 1

المنافقة المنافقة 24 年 点是

Breing to the state of A Made and Sames 14335 Martin Reserve

West of the first

iationemia.

leading role in the reorganisa-tion of the arms industry. Bofors is concentrating more on defence electronics and ammunition as the outlook for field artillery and missiles, its other main products, grows increasingly bleak. Bofors last year acquired the Swedish defence electronics subsidiary of Philips, which it renamed Bofors Electronics AB (BEAB). BEAB subsequently took 80 per cent ownership of Ericsson's military command control 'systems operations, concentrating the Swedish development and pro-

one company.

duction of this technology in

dated. Bofors may seek to acquire the rest of the Ericsson Radar Electronics division, which manufactures defence communications systems as well as ground and aircraft radaz. Ericsson might prove willing to sell the division, which made a loss of SKr46m on sales of SKr3.8bn, if management decides to concentrate its resources on public telecom-

munications. In the ammunition sector, some type of co-operation between Bofors and the ordnance division of FFV looks increasingly likely. The recent decision by Mr Rune Molin, the Swedish industry Minister, to partially privatise state-owned FFV could open the door for the takeover of its ammunition production by Bosors.

But Bofors has been blocked in expanding its armoured vehicle and missile business Its joint proposal with Hag-

in preparation for the tough times ahead, the defence industry is now being restructured

glunds to build a new tank for the Swedish Army is likely to be rejected in favour of tanks from the US or West Germany. Bofors and Hagglunds already manufacture armoured personnel carriers for the Swedish Army.

A proposal by the Swedish defence staff last autumn that Bofors: and Saab-Scania co-operate in their development and production of tactical missiles no longer looks feasible. When Saab last December sold 50 per cent of its automobile division to General Motors, it also agreed to explore the possibilities of co-operating with Hughes Aircraft, a General Motors subsidiary, in missile development. Sweden is already planning to buy the AMRAAM air-to-air missile from Hughes for the country's new JAS Gripen multi-role combat aircraft. The link between Saab and Hughes could now force Bofors to seek a foreign partner to share mis-

sile development costs. Meanwhile, the next few gramme, Sweden's largest mili-tary project, has been plagued by delays and cost overruns as well as the crash of the first

prototype aircraft. The problems have raised questions whether the Swedish Air Force will stick with its plans to buy 350 to 400 of the aircraft through the beginning of the next century. It has ordered an initial batch of 30 aircraft and another order for 110 is likely. but deliveries may cease thereafter with future combat aircraft procured from abroad. Saab and related aerospace

companies such as Volvo Flyg-motor, the aircraft engine division of the Swedish motor vehicle group, are already pre-paring for the day when military aircraft production could be curtailed by building up a market position in the civil air-

The crisis in the defence industry could also spell the virtual end of Swedish shipbuilding, which was the second biggest in the world two decades before it was dismantled in the face of increased competition from the Far East. Only two shipyards remain and both rely heavily on orders from the Swedish Navy. The Navy, facing a severe

budget crunch, may not be

able to place more orders for

surface vessels in the 1990s, which could force the closure of the Karlskrona Yards. The submarine works at Kockums Marine in Malmo, however, could survive due to exports despite a possible cutback in orders from the Swedish Navy. The likely disappearance of key areas of Sweden's arms industry will remove an important pillar supporting the country's neutrality. Sweden built up its extensive arms industry after the Second World War to make its foreign policy less susceptible to superpower influence. It still procures 70 per cent of its military equipment from domestic suppliers.
But Sweden has clearly signalled a change in policy. It plans to buy important weapons from abroad and co-operate more with Western defence firms on research and development as well as licensed production. These developments, by undermining Swedish

adherence to neutrality, may

help lower the government's

THE principal shareholder of Nobel industries and its new chairman, Mr Erik Penser, vowed several years ago that the chemicals and armaments conglomerate would be one of Sweden's five biggest companies by the end of 1991. The company already has

achieved the distinction of being one of the country's fastest growing industrial concerns during the second half of the 1980s after its creation out of a 1984 merger between the defence concern Bofors and the chemicals group Kema Nobel. A string of acquisitions totalling SKr16bn had tripled Nobel's size by the end of last year, making it Sweden's 18th argest company with sales of

Although doubts remain whether Nobel can achieve Mr Penser's ambitious target within the next 18 months, the company is continuing an aggressive buying spree under Mr Anders Carlberg, its president and chief executive. Since the beginning of 1990, it has made another five acquisitions totalling SKr7bn. They are expected to raise Nobel's sales by 25 per cent this year, although the company must at least double its turnover to be counted among Sweden's top

As it grows, Nobel is restruct-

Nobel's ability to expand uring its operations. It is rap-idly expanding into the EC, ATLAS COPCO has recovered its lustre among investors after a difficult patch in the 1980s. Its recent SKr1.3bn interna-

tional share issue was oversubscribed and its performance on the Stockholm bourse could once again make it the glam-our stock it was a decade ago. The bright outlook for Atlas Copco, which manufactures air compressors, mining and construction equipment, and automated industrial tools, largely reflects the solid growth in industrial production and construction in North America and Europe in the late 1980s. Market demand for its prod-ucts is likely to remain strong in the early 1990s due to a host of infrastructure projects in Europe, ranging from improved motor and rail links across the continent to the international fair exhibitions

The company's results have improved sharply since 1986, when its pre-tax profit was SKr735m. Last year's profits amounted to SKr1.53bn, a rise of 109 per cent over three years. Profits could reach resistance to seek membership | SKr1.72bn this year based on in the European Community. | present forecasts.

in Spain and Germany.

PROFILE: NOBEL INDUSTRIES

Aggressive buying spree



Erik Penser: expansion vow

reducing its dependence on the restricted Nordic market. It is also successfully shifting its focus from the troublesome defence sector, which has been plagued by arms exports scandals and falling orders at home, to chemicals and consumer products, which now account for 80 per cent of corporate

through acquisition reflects its improved financial position. In 1988, Mr Penser consolidated

his financial interests, gather-ing them within Nobel. He then sold some of his property and shareholding assets as well as divesting Nobel of several peripheral businesses to raise capital.
The company's finances were

further bolstered by two share issues. Solidity (equity/assets) is now around 25 per cent, compared to a meagre 13 per cent just a few years ago. Although Nobel remains a minnow among such European chemical giants as BASF, Hoecht and Bayer, it is following a strategy of concentrating on market niches where it can be a leading competitor. It is focusing on several areas for growth, including paints and adhesives, pulp chemicals, and tolletries. Paints and adhesives is now Nobel's biggest division, accounting for a third of total sales, after the £205m purchase of Crown Berger in May, which ended the company's frustrated search for a major paint com-pany in the EC. With the Euro-pean chemicals industry at its cyclical peak, Nobel faced diffi-

firms, such as Sadolin & Holmblad in Denmark and Trimetal in Belgium, until the Crown

Berger deal. The absorption of Crown Berger will make Nobel the third largest paint producer in Europe, following ICI of the UK and Akzo of the Netherlands. Such economies of scale are necessary for Nobel to survive in this competitive, consumeroriented sector with its considerable marketing and distribution costs. The acquisition also gives Nobel access to the UK paint market, complementing its activity in France and Italy as well as the Nordic region. May of Stora Kemi, the chemi-cals division of the Swedish pulp and paper group Stora, has also made Nobel one of the world's leading suppliers of bleaching chemicals for pulp producers. Nobel's strength in this area lies in its production of sodium chlorate and hydrogen peroxide, which are cleaner substances for pulp bleaching than the traditional method using chlorine gas.

The Scandinavian pulp and paper industry, faced with stringent pollution emission controls, has become big consumers of these chemicals, thus providing Nobel with a strong domestic market. It has also ridden the "green wave" into North America by building facilities to supply these chemicals to the forestry industry. The addition of Stora Kemi

has made the Eka pulp chemical division the third largest group within Nobel, accounting for 15 per cent of sales. It is also the concern's most profitable division. It provided 22 per cent of Nobel's earnings of SKr1.2bn in 1989, although its sales amounted to only 10 per cent of

total turnover. The \$107m purchase of the European skin and hair care operations of Gillette has broadened Nobel's marketing of chemical-based consumer products into southern Europe from its operations in Sweden, France and West Germany. More acquisitions in this busi-

ness area are expected. Nobel has deviated from its emphasis on chemicals in one respect by building up its hightechnology subsidiary, Pharos. The separately-listed concern, in which Nobel has an 80 per cent shareholding, has seen its turnover triple in the last few

PROFILE: ATLAS COPCO

culties in finding takeover can-

didates at a reasonable price

Investor faith regained

The improvement in Atlas Copco's fortunes has also bolstered the reputation of Mr Tom Wachtmeister, its president and chief executive since 1975. A member of the Swedish nobility (he is a count although he does not use the title). Mr Wachtmeister was frequently criticised by the Swedish press and analysis during the early 1980s as the company's profits stumbled due to flagging activity in the worldwide construction industry.

His reputation was further damaged in 1986 when the company's optimistic forecast for the year was proved wrong due to unexpected foreign

But Mr Wachtmeister struck back by aggressively acquiring companies, including Desoutter in the UK, Chicago Pneumatics in the US, Secoroc in Sweden, and Georges Renault in France. He also took the

of concentrating activity on Atlas Copco's core product areas, unlike its more diversifled rivals such as Ingersoll Rand, which also makes bearings. The strategy reflected Mr Wachtmeister's belief that Atlas Copco should dominate every market segment in which it is involved.

But Mr Wachtmeister was also bowing to the dictates of the Wallenberg sphere, Swe-den's dominated industrial empire, in adopting the core-

product strategy.
Companies within the Wal-lenberg group are not supposed to compete with each other, which prevented Atlas Copco, for example, from expanding into the related area of robotics, which is the preserve of ASEA, another Wallenberg concern.

Atlas Copco holds a special place within the Wallenberg

industrial company the Wallenberg family established.
Founded in 1873 to supply equipment to the Swedish railways, it switched to the production of pneumatic products in the early 20th Century and added rock drilling equipment after the Second World War.

The company also served as the executive training ground for Mr Peter Wallenberg, who now heads the Wallenberg

Mr Wallenberg held manage ment positions with Atlas Copco in the US, Africa and the UK as well as Sweden before becoming its deputy managing director in 1970 and its chairman in 1974.

Despite such sentimental ties, Mr Wachtmeister has suggested that Atlas Copco may have to move its head-quarters from Sweden if the country's high production

costs are not brought under control The climbing costs in Sweden threaten to undo some of the savings the company has achieved through an extensive rationalisation programme. It has overhauled its famed sales organisation, concentrated its inventory stockpiles and slimmed down its administra-

its through cost-cutting. The air compressor division is the brightest group within the company, generating 58 per cent of the profits while accounting for 46 per cent of total sales. Atlas Copco is Europe's leading producer of air compressors and dominates the global market for oil-free

tive structure to increase prof-

rotary compressors. Mr Wachtmeister has also targeted the industrial technology group, which makes automated industrial tools, for

The mining and construction equipment division has lost its previously prominent role within the company. Competition is particularly flerce in a weak growing market.

ad hel cuttire as a producer of mili-resi in ti **PKbanken** has the biggest customer base in Scandinavia. It also has a new name. Nordbanken.

A new Scandinavian banking group has been created through PKbanken's acquisition of Nordbanken, whose

name is being retained by the Group. The new Nordbanken is not only the Scandinavian leader in terms of customer base, but also markets a broad and most varied range of products and services, both corporate and private.

One out of every four corporations in Sweden does its banking business with us. We have more than 250 offices in Sweden, and we are represented in Denmark, Norway, Finland and in many other countries around the world. We also provide banking services through about 2,000 post offices in Sweden. And we own Carnegie, an international brokerage house.

In short, we have a unique presence on the Scandinavian market. With a streamlined organisation that's built for fast decision-making.

When it comes to business in Scandinavia, whether it's payment flows, M&A business, stock flotations or placements, there's one bank that has the scale, the expertise and the organisation to give you maximum banking service. Nordbanken.

NORDBANKEN

The full-service Scandinavian bank. Nordbanken - Hamagatan 12 - S-105 71 Stockholm, Sweden Telephone +4686147000 - Telex 19310 nbbank - Fax +468208046

SAS HAS A GIFT FOR REWARDING THE FREQUENT TRAVELLER.



Join SAS Club EuroClass and your trips to Scandinavia become both easier - and more rewarding. In fact, as an SAS Club EuroClass Cardholder, the more you fly the more you gain.

Available to UK and Ireland residents for an annual membership fee of £10, the new personalised SAS Club

EuroClass Card is a must for the frequent traveller. It not only assures you of a host of time and money saving advantages when flying SAS EuroClass, it automatically entitles you to an exclusive new travel award offer: "the 4 SAS EuroClass Collection Scheme".

The Scheme is ideal for

the regular traveller flying between the UK/Ireland and Scandinavia. Flights either way in SAS EuroClass gain you points, and points - when accumulated in the form of boarding cards - provide you with a choice of attractive gifts. From a Bang and Olufsen TV to a radio controlled model Ferrari, from a set of MacGregor golf clubs to a giant teddy bear.

If you want to know more, complete the coupon below no obligation - and post it to Scandinavian Airlines, 52-53 Conduit Street, London W1R OAY. We'll send you our colour brochure with details of SAS Club EuroClass membership and the SAS EuroClass Collection Scheme.

To: SAS, 52-53 Conduit Street, London W1R OAY Please send me further details.	-
Name	_
Address	_
······································	_
	_
	Γ

Industry exploits tough environmental laws

A green pioneer

SWEDEN'S environmental laws, among the toughest in the world, have helped prepare the country's industry to exploit opportunities created by the growing "green" con-sciousness in the global

Long before environmental concerns became fashionable, the nature-conscious Swedes were passing laws mandating drastic reductions in air and water pollution. They are still playing a pioneering role in Europe. Recent actions include abolishing use of chlorofluoro-carbon (CFC) substances by 1994, ahead of the deadline set by the EC. Sweden was the first European country to adopt US standards on the purification of bus and truck lytic converters for new pas-senger cars has become mandatory. It now plans to classify car models by their environmental safety and tax them

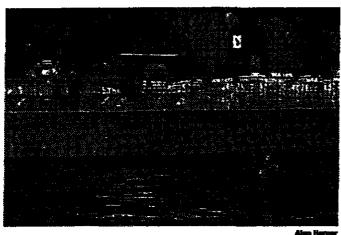
It has also imposed Europe's first environmental tax on carbon dioxide emissions result-ing from the burning of oil, coal, natural gas, petrol and other petroleum products. Other pollution taxes are being levied on the release of nitro gen oxide and sulphur oxide. Similar taxes on heavy metals and organic fertilisers are

expected to follow. Sweden has also mandated stricter emission levels on pollutants, with the amount of heavy metal emissions to be halved by 1997 and chlorine

Swedish industry's investment in environmental protection has doubled to SKr3bn in the last four years, accounting for 7 per cent of total corporate investment. But these figures

do not include spending on cleaner production technology. The impact of environmental controls has been particularly noticeable in the Swedish pulp and paper industry, which is widely acknowledged as being a global leader in tackling pollution problems. Sulphur emissions have been reduced by 80 per cent since the mid-1970s and industry is virtually abandoning the use of harmful chlo-

rine in bleaching pulp.
The forestry industry's adaption to strict environmental standards have produced several spin-off effects. Nobel Industries, the Sweden chemi-



in the cooling system of refrig-

erators. Tetra-Pak is producing

biodegradable packaging that

ly-beneficial as returnable bot-

which measure the effect of a

company's impact on the envi-

ronment, have been adopted in

Sweden. Perstorp, the Swedish

chemicals group, advises its

customers on the environmen-

tal effects of its products and

how they should best be used

to avoid pollution damage.

The use of environmental

grow following the recent decision by the government to pro-

GDP analysis, which will try to calculate the economic effects

of environmental damage. The government is considering leg-islation that would require

ronmental examination of new

investment projects and even

the introduction of new prod-

plains that such demands may

be overambitious, there is a

growing acknowledgement that the strict environmental

standards existing in Sweden

now are soon likely to make

their appearance in the rest of the industrialised world. This

will give Swedish companies a

competitive advantage as for-eign rival concerns struggle

with the environmental con-

trols that the Swedes have

already successfully con-

But while industry com-

es to conduct an envi-

Green internal audits.

it claims are as environm

Clean catch: fly-fishing in the heart of Stockholm

cals group, has become the world's leading producer of sodium chlorate, a more envi-ronment-friendly bleaching chemical than chlorine, due to strong domestic demand.
"It is natural for us to seek

to further improve the production process from an environmental point of view since this will give us competitive advantages in the future," says Mr Bengt Lof, president and chief third biggest forestry company.

Sunds Defibrator, a division of the forestry group SCA, has become a leading manufacturer of cleaner pulp processing facilities. Flakt, a division of the Swiss-Swedish engineer ing giant ABB, is the world's leading producer of air pollution control equipment for fac-tories. This reflects the Swed-ish emphasis on eliminating harmful substances during the production process rather than undertaking the more costly task of cleaning them up after-

Industrial pollution emis-sions are falling sharply. The release of sulphur oxides and nitrogen oxides have been cut by almost half since 1980. Companies are consequently shifting their attention to the environmental consequences of a product over its life cycle, from the raw materials used in its manufacture to its final dis-

Volvo is using recycled plastic in its cars and demanding its sub-contractors conform to its environmental policy guidelines. Electrolux is deve new chemicals to replace CFCs

SWEDEN'S media industry, which has been dominated for decades by the Bonniers family, is undergoing an upheaval as competition increases among Scandinavian-language satellite broadcast channels and the country awaiis its first privately-owned terrestrial TV channel.

The Bonniers' media empire, founded in 1837 by a German immigrant, is divided between the family's privately-held Bonmiers Group and the publicly-traded Marieberg concern, in which the family has two-thirds voting control.

reported a profit of SKr235m on sales of SKr7.4bn in 1989, is Sweden's biggest magazine and book publisher. It also controls 70 per cent of the cinema theatres through Svensk Filmindus-tri (SF), which also produces and distributes films. Marieberg, which had a profit

of SKr399m on turnover of SKr3.26bn in 1989, dominates the Swedish newspaper market through Dagens Nyheter and Expressen, the leading morning and afternoon dailies. But the two concerns' nower-

ful market position means there is little room for further domes-tic growth in their traditional ss areas. This leaves two routes for further expansion. One is to increase sales abroad the other to capture a share of Sweden's emergent private broadcasting sector.

Foreign operations, mainly in the other Nordic countries, already provide half of the revenues for the Bonniers magazine group. Bonniers and Marieberg, in one sign of increase co-operation, are now planning to jointly acquire business publi cations in Europe. Bonniers already owns Sweden's leading business newspaper, Dagens Industri, and its biggest busi-ness magazine, Veckans Affarer, publication Borsen.

Marieberg, meanwhile, has embarked on its first newspaper venture outside Scandinavia by acquiring a 45 per cent interest in Hungary's second largest daily Magyar Nemzet. It also has minority interests in two Norwegian newspapers, Dagbladet and Bergens Tidende.

But it is broadcasting that is increasingly attracting the interest of the Bonniers family. The rapid growth of cable TV systems across Sweden and Scandinavia during the 1980s has encouraged the establishment of several regional satellite and pay TV channels to compete against Sweden's two state-run national TV channels. Marieberg and the Bonniers' SF film subsidiary last year

John Burton started a Swedish pay-TV cinJohn Burton on the media upheaval

Commercial revolution

ema channel, SF-Succe, in co-operation with Warners Brothers. The group is now considering bidding for a rival pay-TV channel FilmNet.

The loss-making FilmNet, broadcast in the Scandinavian

and Benefux countries, is being sold by Sweden's Esselte, which is disposing of its media operations to concentrate on office products.

Challenging the Bonniers family and others for ownership of FilmNet is Mr Jan Stenbeck, the principal shareholder in the Swedish investment company Kinnevik. In recent years, Mr Stenbeck has built a small media empire, including financing a successful satirical maga-

zine Z. But his biggest impact is in satellite and cable TV. He established Scandinavia's first regional satellite channel TV3, in 1987 and added a pay-TV channel, TV1000, last year. Although TV3 is expected to run an operating loss until next year, it has proved successful with viewers. Swedes account for 40 per cent of the 5.7bn view-

agreement with France's TF1 and its principal shareholder, the Bouygues industrial group, to make a joint bid for FilmNet in the first of several planned co-operative ventures. Although Mr Stenbeck may clash with the Bonniers over control of Film-

ers TV3 has in Scandinavia.

Net, he is believed to be seeking their support in a much higger project, namely winning the concession for Sweden's first private terrestrial TV channel. The Swedish parliament is expected to draw up legislation this autumn to establish the channel following a decision by the ruling Social Democrats to allow commercials on the national airwaves. Sweden is the last West European country to ban TV advertisements. But

The government is likely to demand, however, that the winof the concession for the

the arrival of commercial satel-

lite TV has forced them to con-

cede that further opposition is

independent third chames ownership structure. Mr Stenbeck is now trying to build a consortium to bid for the con-

Mr Stenbeck's main rival for the concession will be the con-sortium behind TV4, a new Scandinavian satellite channel that will begin broadcasting on September 15, becoming the third entrent in the Nordic satellite TV market, after TV3 and Nordic Channel, which is owned by Mr Mats Carlgren, the chairman of MoDo, the Swedish for

estry company. TV4's largest shareholder is the Wallenberg financial group with 33 per cent interest in its first significant media venture. The other main owners include the agricultural co-operative movement and the white-collar sion fund SPP with a 25 per cent share each, and the pub-lishers Natur and Kultur with 17 per cent.

in lesign

inere hope

prigins killed

estan to stay

sorance

energia. Edecerio

TITLE X I Y

المراجعة المساولات

والمراج المتركيات

SET PLAN TOTAL TOTAL with hero dies 1

Property. SEP SKIT TEL TELLE

the to aid

Simma

CENTRAL BANK

Bitter debate about strategy

THE FUTURE role of Sweden's Central Bank in the management of the country's economy in the 1990s has become the subject of an increasingly bit-ter but important debate this summer between the powerful blue-collar LO trade union organisation and Central Bank governor Mr Bengt Dennis. This is no esoteric discussion out goes to the heart of how the Swedish economy will

Two months ago Mr Dennis declared in a lecture at Goth-enburg University that the Bank needs to enjoy much more freedom of action to pursue what he called a more "consistent" and "credible" financial strategy, without constant political interference so that Sweden could avoid the dangers of short-term, politically-motivated decision-making that might damage the well-be

ing of the economy. In Mr Dennis's opinion the unpredictable nature of Swedish politics due to parliamentary fragmentation and the probable inability of the parties to establish a strong government makes the Central Bank vulnerable to interference from the politicians.

He fears weak governments will make it much harder for the Bank to maintain tight but necessary fiscal disciplines because they will be suscepti-ble to outside pressures that approach even if this would encourage greater inflation. What Mr Dennis would really like to see is a stronger

Central Bank, run on the lines of the Bundesbank. Sweden is one of the few countries in the OECD area where the central bank is under parliamentary control in line with the requirements of the constitution. In Sweden the central bank governor is now appointed for a five-year term by a board of eight trustees, seven of whom are appointed by parliament and reflect its political composition. The trustees are accountable to parliament but they have the power to remove the governor from office if they so wish.

Between 1976 and 1982 the non-Socialist governments were so divided over interest rate policy that the Governor was unable to mobilise a majority with the power to pursue a sufficiently tough

monetary strategy.

There has been a hostile reaction to the Central Bank's demand for more power from the Left. The LO's chief economists - Per-Olof Edin and Dan Andersson - have grown increasingly critical of Mr Dennis's strategy over recent years. They dislike his commitment to a more liberal finan-cial system and remain suspi-cious of the effects of deregula-tion on the ability of a Swedish government to run its own economic policy.

What really worries them is

that Mr Dennis and his colleagues want to establish the kind of power apparently enjoyed by the Bundesbank, so they can integrate the country much more fully into the European financial system. In a recent newspaper article Messrs Edin and Andersson accused the government and the Central Bank of pursuing monetary policies that would mean "the beginning of the end" for the Swedish Model as they sacrificed full employment to the economy's adjustment to the EC.

Mr Dennis would undoubtedly at some point like to see Sweden adjust to the exchange rate mechanism of the European monetary system, bring-ing much needed external discipline to the conduct of Swedish monetary policy and a signal to the wage bargainers. The LO takes a different view, accusing the Bank of try-ing to free itself from democratic accountability. For their part, the LO economists believe the Swedish currency should not be aligned with the Deutschmark and other strong

currencles but with a wider

loreover it also wants to see Sweden retain and use the weapon of periodic devaluation an important instrument in its armoury.

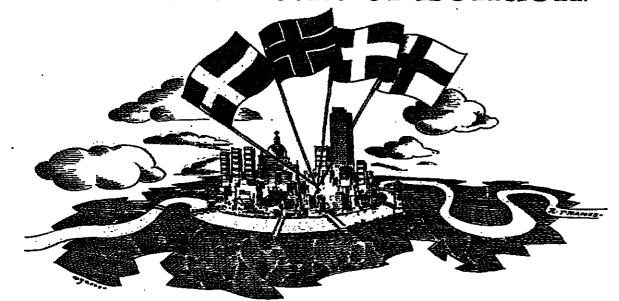
The Ministry of Finance under Allan Larsson seems unlikely to accept the LO view-point. The trade union organiation has lost much of the influence it used to enjoy over Social Democratic economic policy-making. But the government has already indicated it will move with care in agreeing to any of the Central Bank's calls for greater auton-

In practice, Mr Dennis has worked in tandem with the Ministry of Finance during the 1980s.

This is as it should be. Any serious conflict of view between the Bank and the government over economic policy would have a damaging effect on international confidence. The vituperative tone of LO criticism about Mr Dennis and his colleagues suggests that the trade union view is much less important than it used to be. In what is one of the most important discussions in Swedish public life at the mo the Central Bank and not the LO seems the likelier to win

Robert Taylor

Monitoring the Nordic pulse from the heart of London.



The company is the latest addition to Alfred Berg, an expanding Nordic investment banking group, with offices in Stockholm, Oslo and Copenhagen. Founded in 1863, Alfred Berg is Sweden's oldest firm of stockbrokers.

Niche player A typical niche player in the City, Alfred Berg UK markets our Nordic research product to international investors and is the hub for the group's inter-Nordic trading. On-line contact with the sales organizations in Sweden, Norway and Denmark keeps our City

office well abreast of trends and sentiments among domestic institutional

Research for performance Our unshakeable conviction is that consistent and comparable research is the key to superior performance. Thus, we have built up the most resourceful research team in the Nordic region, comprising 30 full-time analysts.

As a result, Alfred Berg UK can provide investors with key information on major Nordic blue chips, as well as second- and third-liners. In addition to personal service, we offer our clients: ~ Research reports, from rapid updates to extensive company, industry and macro-economics reports,

- The Nordic Report, a quarterly strategic review.

To monitor trends on the four Nordic equity markets, we have developed the capital-weighted Alfred Berg Nordic Index. It can be found in the major Scandinavian dailies and on the Reuter system (page ABFL).

Alfred Berg UK has the unique capacity to offer consistent and comparable equity research on all Nordic markets.

65 LONDON WALL LONDON ECOM 7BU TELEPHONE 01-256 4900 FAX 01-920 9126

The partners of

ADVAKATETRMAN I AGEDI ÄE

and

D:R PHILIP LEMANS ADVOKATBY

are pleased to announce the merger of their lawfirms under the name of

LAGERLÖF & LEMAN

Advokatfirma

We have provided legal services to the business community for more than 100 years

STOCKHOLM S-114 84 Stockholm

GÖTEBORG Västra Hamngatan 24 Bex 2252 S-408 14 Göteborg 46-31-17 10 00 Telefax 46-31-13 56 62

MALMŌ S-211 34 Mal 46-40-733 00 Telefax

NEW YORK 230 Park Ave New York, New York 1016 (212) 687 46 05, 687 46 06

071) 491 8424 (071) 491 2705